

AN ACT

To amend sections 9.821, 9.822, 9.823, 9.83, 107.12, 107.40, 109.57, 109.572, 109.93, 111.18, 117.11, 119.07, 120.33, 121.48, 121.51, 122.17, 122.171, 122.602, 122.652, 124.152, 125.04, 125.45, 125.93, 125.96, 125.97, 125.98, 126.07, 126.08, 126.16, 126.21, 126.22, 127.16, 131.44, 133.01, 133.081, 149.311, 151.08, 151.40, 156.02, 164.03, 164.08, 164.09, 166.08, 167.04, 173.04, 173.35, 173.71, 173.85, 173.86, 174.03, 174.06, 183.01, 183.021, 183.17, 183.33, 183.34, 183.35, 305.31, 307.672, 307.695, 307.98, 307.981, 308.04, 317.08, 319.202, 319.54, 322.01, 323.131, 323.151, 323.152, 323.153, 323.154, 325.31, 329.04, 329.05, 329.14, 340.03, 505.37, 505.376, 505.705, 517.08, 709.01, 711.001, 711.05, 711.10, 711.131, 718.01, 718.03, 718.13, 901.171, 1503.05, 1504.02, 1506.01, 1506.99, 1513.08, 1513.18, 1514.081, 1514.40, 1521.01, 1521.20, 1521.21, 1521.22, 1521.23, 1521.24, 1521.25, 1521.26, 1521.27, 1521.28, 1521.29, 1521.99, 1531.06, 1531.35, 1555.08, 1557.03, 1901.34, 2113.041, 2117.061, 2117.25, 2151.362, 2305.2341, 2744.02, 2913.40, 2921.42, 2927.023, 2935.03, 3109.04, 3109.041, 3119.022, 3119.023, 3119.05, 3119.27, 3119.29, 3119.30, 3119.32, 3125.12, 3301.011, 3301.07, 3301.0711, 3301.0714, 3301.0718, 3301.12, 3301.311, 3301.53, 3302.03, 3302.10, 3307.01, 3307.31, 3309.01, 3309.51, 3310.41, 3311.24, 3311.51, 3311.521, 3313.532, 3313.537, 3313.603, 3313.615, 3313.64, 3313.646, 3313.66, 3313.661, 3313.841, 3313.843, 3313.97, 3313.974, 3313.977, 3313.978,

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5739.033, 5739.035, 5739.09, 5739.12, 5739.122,
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5747.01, 5747.03, 5747.47, 5747.50, 5747.501, 5747.51, 5747.54, 5747.98, 5748.01, 5748.02, 5749.02, 5751.20, 5751.21, 5751.23, 5907.15, 6109.21, 6111.04, 6111.44, 6119.06, 6121.04, and 6131.23; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 1521.20 (1506.38), 1521.21 (1506.39), 1521.22 (1506.40), 1521.23 (1506.41), 1521.24 (1506.42), 1521.25 (1506.43), 1521.26 (1506.44), 1521.27 (1506.45), 1521.28 (1506.46), 1521.29 (1506.47), 1521.30 (1506.48), 3323.011 (3323.013), 3702.63 (3702.591), 3702.68 (3702.59), 5101.521 (9.15), 5111.95 (5111.033), 5111.96 (5111.034), and 5126.057 (5126.0511); to enact new sections 3318.47, 3323.01, 3323.011, 3323.06, 3323.08, 3323.11, 3704.14, 5101.521, and 5123.16 and sections 5.2235, 109.521, 117.112, 117.113, 122.051, 122.071, 122.076, 122.174, 126.04, 126.24, 126.40, 131.51, 133.061, 167.10, 167.101, 167.102, 167.103, 167.104, 167.105, 173.351, 173.401, 183.061, 183.51, 183.52, 901.261, 1713.031, 3119.302, 3123.23, 3301.0724, 3301.162, 3303.20, 3310.51 to 3310.63, 3313.82, 3314.016, 3314.017, 3314.086, 3314.087, 3314.19, 3317.161, 3319.28, 3323.014, 3323.041, 3323.052, 3326.01, 3326.02, 3326.03, 3326.04, 3326.05, 3326.06, 3326.07, 3326.08, 3326.09, 3326.10, 3326.11, 3326.12, 3326.13, 3326.14, 3326.15, 3326.16, 3326.17, 3326.18, 3326.19, 3326.20, 3326.21, 3326.22, 3326.23, 3326.31, 3326.32, 3326.33, 3326.34, 3326.35, 3326.36, 3326.37, 3326.38, 3326.49, 3326.50, 3327.17, 3333.50, 3333.55, 3333.60, 3333.61, 3333.62, 3333.63, 3333.64, 3333.65, 3333.66, 3333.67, 3333.68, 3333.69, 3333.70, 3345.02, 3345.35, 3353.20, 3353.21, 3353.22, 3353.23, 3353.24,

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General Assembly, to amend Sections 227.10, 235.10.50, and 235.50.80 of Am. Sub. H.B. 699 of the 126th General Assembly, to amend Section 235.20.20 of Am. Sub. H.B. 699 of the 126th General Assembly, as subsequently amended, to amend Section 203.20 of Sub. S.B. 321 of the 126th General Assembly, to amend Section 153 of Am. Sub. H.B. 117 of the 121st General Assembly, as subsequently amended, to repeal Section 3 of Am. Sub. H.B. 694 of the 126th General Assembly, and to repeal the version of section 3702.68 of the Revised Code that was to have taken effect July 1, 2007, to make operating appropriations for the biennium beginning July 1, 2007, and ending June 30, 2009, and to provide authorization and conditions for the operation of state programs; to suspend sections 3718.02, 3718.05, 3718.06, 3718.07, 3718.08, 3718.09, 3718.10, 3718.99, and 6111.441 of the Revised Code until July 1, 2009, and to further amend sections 711.001, 711.05, 711.10, 711.131, 4736.01, 6111.04, and 6111.44 and to enact section 3718.022 of the Revised Code effective July 1, 2009; to confirm and to order implementation of sections 9.833, 9.90, 3311.19, 3313.12, 3313.202, 3313.33, 4117.03, and 4117.08 and to confirm and to order complete implementation of section 9.901 of the Revised Code as the sections result from Am. Sub. H.B. 66 of the 126th General Assembly; to repeal Section 611.03 of Am. Sub. H.B. 66 of the 126th General Assembly; and to amend sections 9.833, 9.90, 9.901, 3313.202, 3313.33, and 4117.03 of the Revised Code to make other specifications pertaining to that implementation as have become necessary; and to terminate operation of section 5101.213 of the Revised Code on July 1, 2008, by repealing the section on that

date.

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

SECTION 101.01. That sections 9.821, 9.822, 9.823, 9.83, 107.12, 107.40, 109.57, 109.572, 109.93, 111.18, 117.11, 119.07, 120.33, 121.48, 121.51, 122.17, 122.171, 122.602, 122.652, 124.152, 125.04, 125.45, 125.93, 125.96, 125.97, 125.98, 126.07, 126.08, 126.16, 126.21, 126.22, 127.16, 131.44, 133.01, 133.081, 149.311, 151.08, 151.40, 156.02, 164.03, 164.08, 164.09, 166.08, 167.04, 173.04, 173.35, 173.71, 173.85, 173.86, 174.03, 174.06, 183.01, 183.021, 183.17, 183.33, 183.34, 183.35, 305.31, 307.672, 307.695, 307.98, 307.981, 308.04, 317.08, 319.202, 319.54, 322.01, 323.131, 323.151, 323.152, 323.153, 323.154, 325.31, 329.04, 329.05, 329.14, 340.03, 505.37, 505.376, 505.705, 517.08, 709.01, 711.001, 711.05, 711.10, 711.131, 718.01, 718.03, 718.13, 901.171, 1503.05, 1504.02, 1506.01, 1506.99, 1513.08, 1513.18, 1514.081, 1514.40, 1521.01, 1521.20, 1521.21, 1521.22, 1521.23, 1521.24, 1521.25, 1521.26, 1521.27, 1521.28, 1521.29, 1521.99, 1531.06, 1531.35, 1555.08, 1557.03, 1901.34, 2113.041, 2117.061, 2117.25, 2151.362, 2305.2341, 2744.02, 2913.40, 2921.42, 2927.023, 2935.03, 3109.04, 3109.041, 3119.022, 3119.023, 3119.05, 3119.27, 3119.29, 3119.30, 3119.32, 3125.12, 3301.011, 3301.07, 3301.0711, 3301.0714, 3301.0718, 3301.12, 3301.311, 3301.53, 3302.03, 3302.10, 3307.01, 3307.31, 3309.01, 3309.51, 3310.41, 3311.24, 3311.51, 3311.521, 3313.532, 3313.537, 3313.603, 3313.615, 3313.64, 3313.646, 3313.66, 3313.661, 3313.841, 3313.843, 3313.97, 3313.974, 3313.977, 3313.978, 3313.98, 3313.983, 3314.015, 3314.02, 3314.06, 3314.061, 3314.074, 3314.08, 3314.083, 3314.091, 3314.26, 3317.01, 3317.012, 3317.013, 3317.014, 3317.015, 3317.016, 3317.017, 3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.026, 3317.027, 3317.028, 3317.029, 3317.0216, 3317.0217, 3317.03, 3317.031, 3317.032, 3317.04, 3317.05, 3317.051, 3317.052, 3317.06, 3317.063, 3317.07, 3317.08, 3317.15, 3317.16, 3317.19, 3317.20, 3317.201, 3318.01, 3318.011, 3318.023, 3318.12, 3318.15, 3318.26, 3318.36, 3319.29, 3319.291, 3319.301, 3319.31, 3319.55, 3321.03, 3323.011, 3323.02, 3323.03, 3323.031, 3323.04, 3323.05, 3323.051, 3323.07, 3323.09, 3323.091, 3323.12, 3323.13, 3323.14, 3323.141, 3323.142, 3323.143, 3323.15, 3323.17, 3323.18, 3323.20, 3323.30, 3325.011, 3325.02, 3327.01, 3327.05, 3327.16, 3333.04, 3333.122, 3333.36, 3333.38, 3345.05, 3345.32, 3353.03, 3354.10, 3357.01, 3357.10, 3358.06, 3365.01, 3365.02, 3365.03, 3365.04,

3365.041, 3365.05, 3365.07, 3365.09, 3365.11, 3381.04, 3501.01, 3501.05, 3501.11, 3501.17, 3501.31, 3505.062, 3505.063, 3505.23, 3509.08, 3513.21, 3517.093, 3517.106, 3517.11, 3517.13, 3517.992, 3599.17, 3599.19, 3599.37, 3701.74, 3701.741, 3702.52, 3702.5211, 3702.5212, 3702.5213, 3702.57, 3702.68, 3704.03, 3705.24, 3706.01, 3706.03, 3706.041, 3706.05, 3706.07, 3718.03, 3721.51, 3721.541, 3721.56, 3727.391, 3734.57, 3735.672, 3743.17, 3743.19, 3743.25, 3743.75, 3745.04, 3745.11, 3767.41, 3769.087, 3770.03, 3770.06, 3905.36, 3923.281, 4112.12, 4112.13, 4117.06, 4141.09, 4301.20, 4301.24, 4301.43, 4303.03, 4503.06, 4503.061, 4503.064, 4503.065, 4503.066, 4503.067, 4503.10, 4503.102, 4503.35, 4505.06, 4508.10, 4513.241, 4513.263, 4513.35, 4715.251, 4717.07, 4723.32, 4723.621, 4723.63, 4723.64, 4723.65, 4723.66, 4731.053, 4731.142, 4731.22, 4735.10, 4735.141, 4736.01, 4743.05, 4755.03, 4766.05, 4775.08, 4921.40, 5101.141, 5101.16, 5101.162, 5101.21, 5101.211, 5101.212, 5101.213, 5101.24, 5101.242, 5101.244, 5101.26, 5101.27, 5101.47, 5101.50, 5101.571, 5101.572, 5101.58, 5101.59, 5101.802, 5101.98, 5104.04, 5104.30, 5107.02, 5107.03, 5107.05, 5107.10, 5107.12, 5107.14, 5107.16, 5107.17, 5107.18, 5107.281, 5107.30, 5107.36, 5107.41, 5107.42, 5107.70, 5111.01, 5111.013, 5111.014, 5111.016, 5111.019, 5111.0111, 5111.0112, 5111.023, 5111.03, 5111.06, 5111.084, 5111.10, 5111.101, 5111.11, 5111.112, 5111.113, 5111.163, 5111.17, 5111.172, 5111.20, 5111.851, 5111.871, 5111.872, 5111.8814, 5111.89, 5111.891, 5111.95, 5111.96, 5112.341, 5115.12, 5119.611, 5123.01, 5123.012, 5123.043, 5123.045, 5123.046, 5123.047, 5123.048, 5123.049, 5123.0411, 5123.051, 5123.19, 5123.196, 5123.198, 5123.20, 5123.211, 5123.38, 5123.41, 5123.51, 5123.60, 5123.602, 5123.99, 5126.038, 5126.04, 5126.041, 5126.042, 5126.046, 5126.05, 5126.054, 5126.055, 5126.056, 5126.057, 5126.06, 5126.12, 5126.15, 5126.18, 5126.19, 5126.25, 5126.40, 5126.42, 5126.43, 5126.45, 5126.47, 5139.43, 5323.01, 5323.02, 5323.99, 5528.54, 5531.10, 5537.04, 5537.16, 5537.99, 5703.80, 5705.01, 5705.25, 5705.29, 5705.44, 5709.68, 5711.01, 5713.011, 5725.24, 5727.06, 5727.45, 5727.81, 5727.84, 5727.85, 5727.86, 5727.87, 5733.12, 5733.39, 5733.98, 5739.02, 5739.032, 5739.033, 5739.035, 5739.09, 5739.12, 5739.122, 5739.123, 5739.21, 5741.02, 5741.03, 5741.05, 5741.121, 5743.01, 5743.20, 5743.99, 5745.02, 5745.05, 5745.13, 5747.01, 5747.03, 5747.47, 5747.50, 5747.501, 5747.51, 5747.54, 5747.98, 5748.01, 5748.02, 5749.02, 5751.20, 5751.21, 5751.23, 5907.15, 6109.21, 6111.04, 6111.44, 6119.06, 6121.04, and 6131.23 be amended; sections 1521.20 (1506.38), 1521.21 (1506.39), 1521.22 (1506.40), 1521.23 (1506.41), 1521.24 (1506.42), 1521.25 (1506.43), 1521.26 (1506.44), 1521.27 (1506.45), 1521.28 (1506.46),

1521.29 (1506.47), 1521.30 (1506.48), 3323.011 (3323.013), 3702.63 (3702.591), 3702.68 (3702.59), 5101.521 (9.15), 5111.95 (5111.033), 5111.96 (5111.034), and 5126.057 (5126.0511) be amended for the purpose of adopting new section numbers as indicated in parentheses; and new sections 3318.47, 3323.01, 3323.011, 3323.06, 3323.08, 3323.11, 3704.14, 5101.521, and 5123.16 and sections 5.2235, 109.521, 117.112, 117.113, 122.051, 122.071, 122.076, 122.174, 126.04, 126.24, 126.40, 131.51, 133.061, 167.10, 167.101, 167.102, 167.103, 167.104, 167.105, 173.351, 173.401, 183.061, 183.51, 183.52, 901.261, 1713.031, 3319.302, 3123.23, 3301.0724, 3301.162, 3303.20, 3310.51, 3310.52, 3310.53, 3310.54, 3310.55, 3310.56, 3310.57, 3310.58, 3310.59, 3310.60, 3310.61, 3310.62, 3310.63, 3313.82, 3314.016, 3314.017, 3314.086, 3314.087, 3314.19, 3317.161, 3319.28, 3323.014, 3323.041, 3323.052, 3326.01, 3326.02, 3326.03, 3326.04, 3326.05, 3326.06, 3326.07, 3326.08, 3326.09, 3326.10, 3326.11, 3326.12, 3326.13, 3326.14, 3326.15, 3326.16, 3326.17, 3326.18, 3326.19, 3326.20, 3326.21, 3326.22, 3326.23, 3326.31, 3326.32, 3326.33, 3326.34, 3326.35, 3326.36, 3326.37, 3326.38, 3326.49, 3326.50, 3327.17, 3333.50, 3333.55, 3333.60, 3333.61, 3333.62, 3333.63, 3333.64, 3333.65, 3333.66, 3333.67, 3333.68, 3333.69, 3333.70, 3345.02, 3345.35, 3353.20, 3353.21, 3353.22, 3353.23, 3353.24, 3353.25, 3353.26, 3353.27, 3353.28, 3353.29, 3353.30, 3357.13, 3503.09, 3701.047, 3701.135, 4303.071, 4303.232, 4303.233, 4511.093, 4517.261, 4703.071, 4766.22, 4923.26, 5101.272, 5101.52, 5101.522, 5101.523, 5101.524, 5101.525, 5101.526, 5101.527, 5101.528, 5101.529, 5101.5211, 5101.5212, 5101.5213, 5101.5214, 5101.5215, 5101.5216, 5101.541, 5101.573, 5101.574, 5101.575, 5101.591, 5107.04, 5107.121, 5107.71, 5107.711, 5107.712, 5107.713, 5107.714, 5107.715, 5107.716, 5107.717, 5111.017, 5111.0120, 5111.028, 5111.029, 5111.031, 5111.032, 5111.085, 5111.102, 5111.165, 5111.166, 5111.69, 5111.70, 5111.701, 5111.702, 5111.703, 5111.704, 5111.705, 5111.706, 5111.707, 5111.708, 5111.709, 5111.7010, 5111.7011, 5111.84, 5111.894, 5123.033, 5123.0414, 5123.0415, 5123.0416, 5123.161, 5123.162, 5123.163, 5123.164, 5123.165, 5123.166, 5123.167, 5123.168, 5123.169, 5123.605, 5126.059, 5126.0510, 5126.0512, 5302.221, 5309.082, 5533.531, 5533.632, 5533.91, 5703.058, 5705.219, 5733.48, 5739.029, 5739.124, 5739.213, 5740.10, 5741.122, 5747.77, 5748.022, 5907.16, and 6111.0381 of the Revised Code be enacted to read as follows:

Sec. 5.2235. The month of May is designated as "Nutrition and Physical Fitness Month" to increase public awareness of the paramount roles that nutrition and physical fitness play in promoting a healthy lifestyle for all of the citizens of this state.

Sec. ~~5101.521~~ 9.15. When the body of a dead person is found in a township or municipal corporation, and such person was not an inmate of a correctional, benevolent, or charitable institution of this state, and the body is not claimed by any person for private interment or cremation at the person's own expense, or delivered for the purpose of medical or surgical study or dissection in accordance with section 1713.34 of the Revised Code, it shall be disposed of as follows:

(A) If the person was a legal resident of the county, the proper officers of the township or municipal corporation in which the person's body was found shall cause it to be buried or cremated at the expense of the township or municipal corporation in which the person had a legal residence at the time of death.

(B) If the person had a legal residence in any other county of the state at the time of death, the superintendent of the county home of the county in which such body was found shall cause it to be buried or cremated at the expense of the township or municipal corporation in which the person had a legal residence at the time of death.

(C) If the person was an inmate of a correctional institution of the county or a patient or resident of a benevolent institution of the county, the person had no legal residence in the state, or the person's legal residence is unknown, the superintendent shall cause the person to be buried or cremated at the expense of the county.

Such officials shall provide, at the grave of the person or, if the person's cremated remains are buried, at the grave of the person's cremated remains, a stone or concrete marker on which the person's name and age, if known, and date of death shall be inscribed.

A political subdivision is not relieved of its duty to bury or cremate a person at its expense under this section when the body is claimed by an indigent person.

Sec. 9.821. (A) The department of administrative services shall direct and manage for state agencies all risk management and insurance programs authorized under section 9.822 of the Revised Code.

(B) The office of risk management is hereby established within the department of administrative services. The director of administrative services, or a deputy director appointed by the director, shall control and supervise the office.

(C) The office may take any of the following actions that it determines to be in the best interests of the state:

(1) Provide all insurance coverages for the state, including, but not limited to, automobile liability, casualty, property, public liability, and;

~~except as provided in division (C)(6) of this section,~~ fidelity bond insurance bonding. The cost of insurance coverage shall be paid from appropriations made to the state agencies that the office has designated to receive the coverage.

(2) Provide coverage of legal expenses that are necessary and related to the legal defense of claims against the state;

(3) Purchase insurance policies consistent with sections 125.01 to 125.111 of the Revised Code, develop and administer self-insurance programs, or do both;

(4) Consolidate and combine state insurance coverages;

(5) Provide technical services in risk management and insurance to state agencies;

~~(6)(a) Establish and administer a self-insured fidelity bond program for a particular class or subclass of state officer, employee, or agent, if, prior to the establishment and administration of this program, the director does both of the following:~~

~~(i) Holds a hearing in accordance with Chapter 119. of the Revised Code to determine whether fidelity bond insurance for that particular class or subclass of state officer, employee, or agent is available in the voluntary market;~~

~~(ii) If, as a result of that hearing, the director determines that fidelity bond insurance for a particular class or subclass of state officer, employee, or agent is unavailable in the voluntary market and that the absence of this insurance threatens the operation of state government and will be detrimental to the general welfare of the citizens of this state, adopts rules in accordance with Chapter 119. of the Revised Code to establish standards and procedures governing the establishment, administration, and termination of the fidelity bond program for that particular class or subclass of state officer, employee, or agent.~~

~~(b) Division (C)(6)(a) of this section does not apply to any self-insured blanket fidelity bond program that, on September 20, 1993, has been established pursuant to section 9.831 of the Revised Code.~~

~~(7) Except as provided in division (C)(6) of this section,~~ Adopt and publish, in accordance with section 111.15 of the Revised Code, necessary rules and procedures governing the administration of the state's insurance and risk management activities.

(D) No state agency, except a state agency exempted under section 125.02 or 125.04 of the Revised Code from the department's purchasing authority, shall purchase any insurance described in this section except as authorized by the department, when the office of risk management

determines that the purchase is in the best interest of the state pursuant to division (C)(1) of this section, and in accordance with terms, conditions, and procurement methods established by the department.

(E) With respect to any civil action, demand, or claim against the state that could be filed in the court of claims, nothing in sections 9.82 to 9.823 of the Revised Code shall be interpreted to permit the settlement or compromise of those civil actions, demands, or claims, except in the manner provided in Chapter 2743. of the Revised Code.

Sec. 9.822. (A) The department of administrative services through the office of risk management shall establish an insurance plan or plans that may provide for self-insurance or the purchase of insurance, or both, for ~~any~~ either of the following purposes:

(1) Insuring state real and personal property against losses occasioned by fire, windstorm, or other accidents and perils;

(2) Insuring the state and its officers and employees against liability resulting from any civil action, demand, or claim against the state or its officers and employees arising out of any act or omission of an officer or employee in the performance of official duties, except acts and omissions for which indemnification is prohibited under section 9.87 of the Revised Code;

~~(3) Insuring~~ (B) The department of administrative services through the office of risk management shall establish one or more insurance plans that provide for the purchase of insurance for the purpose of insuring the state through the fidelity bonding of state officers, employees, and agents who are required by law to provide a fidelity bond. Nothing in this section shall be construed to allow the department of administrative services through the office of risk management to administer the state's fidelity bonding program through a program of self-insurance.

~~(B)(1) Prior to the establishment of any self-insured fidelity bond program for a particular class or subclass of state officer, employee, or agent authorized pursuant to division (A)(3) of this section, the director of administrative services shall follow the procedures for holding a hearing and adopting rules set forth in division (C)(6)(a) of section 9.821 of the Revised Code.~~

~~(2) Division (B)(1) of this section does not apply to any self-insured blanket fidelity bond program that, on September 20, 1993, has been established pursuant to section 9.831 of the Revised Code.~~

~~(3) The director shall prepare annually a written report detailing any self-insured fidelity bond program established pursuant to division (A)(3) of this section. The report shall include, but is not limited to, information~~

~~relating to premiums collected, income from recovery, loss experience, and administrative costs of the program. A copy of the report, together with a copy of those portions of the most recent reports submitted under division (D) of section 9.823 of the Revised Code that pertain to any such self-insured fidelity bond program, shall be submitted to the speaker of the house of representatives and the president of the senate by the last day of March of each year.~~

Sec. 9.823. (A) All contributions collected by the director of administrative services under division (E) of this section shall be deposited into the state treasury to the credit of the risk management reserve fund, which is hereby created. The fund shall be used to provide insurance and self-insurance for the state under ~~section~~ sections 9.822 and 9.83 of the Revised Code. All investment earnings of the fund shall be credited to it.

(B) The director, through the office of risk management, shall operate the risk management reserve fund on an actuarially sound basis.

(C) Reserves shall be maintained in the risk management reserve fund in any amount that is necessary and adequate, in the exercise of sound and prudent actuarial judgment, to cover potential liability claims, expenses, fees, or damages. Money in the fund may be applied to the payment of liability claims that are filed against the state in the court of claims and determined in the manner provided for under Chapter 2743. of the Revised Code. The director may procure the services of a qualified actuarial firm for the purpose of recommending the specific amount of money that would be required to maintain adequate reserves for a given period of time.

(D) A report of the amounts reserved and disbursements made from the reserves, together with a written report of a competent property and casualty actuary, shall be submitted, on or before the last day of March for the preceding calendar year, to the speaker of the house of representatives and the president of the senate. The actuary shall certify the adequacy of the rates of contributions, the sufficiency of excess insurance, and whether the amounts reserved conform to the requirements of this section, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. The report shall include disbursements made for the administration of the fund, including claims paid, cost of legal representation of state agencies and employees, and fees paid to consultants.

(E) The director shall collect from each state agency or any participating state body its contribution to the risk management reserve fund for the purpose of purchasing insurance or administering self-insurance programs for coverages authorized under ~~section~~ sections 9.822 and 9.83 of the

Revised Code. The contribution shall be determined by the director, with the approval of the director of budget and management, and shall be based upon actuarial assumptions and the relative risk and loss experience of each state agency or participating state body. The contribution shall further include a reasonable sum to cover the department's administrative costs.

Sec. 9.83. (A) The state and any political subdivision may procure a policy or policies of insurance insuring its officers and employees against liability for injury, death, or loss to person or property that arises out of the operation of an automobile, truck, motor vehicle with auxiliary equipment, self-propelling equipment or trailer, aircraft, or watercraft by the officers or employees while engaged in the course of their employment or official responsibilities for the state or the political subdivision. The state is authorized to expend funds to pay judgments that are rendered in any court against its officers or employees and that result from such operation, and is authorized to expend funds to compromise claims for liability against its officers or employees that result from such operation. No insurer shall deny coverage under such a policy, and the state shall not refuse to pay judgments or compromise claims, on the ground that an automobile, truck, motor vehicle with auxiliary equipment, self-propelling equipment or trailer, aircraft, or watercraft was not being used in the course of an officer's or employee's employment or official responsibilities for the state or a political subdivision unless the officer or employee who was operating an automobile, truck, motor vehicle with auxiliary equipment, or self-propelling equipment or trailer is convicted of a violation of section 124.71 of the Revised Code as a result of the same events.

(B) Funds shall be reserved as necessary, in the exercise of sound and prudent actuarial judgment, to cover potential expense, fees, damage, loss, or other liability. The ~~superintendent of insurance~~ office of risk management may recommend or, if the state requests of the ~~superintendent~~ office of risk management, shall recommend, a specific amount for any period of time that, in the ~~superintendent's~~ of the office of risk management, represents such a judgment.

(C) Nothing in this section shall be construed to require the department of administrative services to purchase liability insurance for all state vehicles in a single policy of insurance or to cover all state vehicles under a single plan of self-insurance.

(D) Insurance procured by the state pursuant to this section shall be procured as provided in section 125.03 of the Revised Code.

(E) For purposes of liability insurance procured under this section to cover the operation of a motor vehicle by a prisoner for whom the insurance

is procured, "employee" includes a prisoner in the custody of the department of rehabilitation and correction who is enrolled in a work program that is established by the department pursuant to section 5145.16 of the Revised Code and in which the prisoner is required to operate a motor vehicle, as defined in section 4509.01 of the Revised Code, and who is engaged in the operation of a motor vehicle in the course of the work program.

(F) ~~There is hereby created in the state treasury the vehicle liability fund.~~ All contributions collected by the director of administrative services under division ~~(F)~~ (H) of this section shall be deposited into the ~~fund~~. ~~The fund shall be used to provide insurance and self insurance for the state under this section. All investment earnings of the fund shall be credited to it~~ risk management reserve fund created in section 9.823 of the Revised Code to the credit of the vehicle liability program.

(G) ~~The director of administrative services, through the office of risk management, shall operate the vehicle liability fund on an actuarially sound basis.~~

~~(H)~~ Reserves shall be maintained in the ~~vehicle liability risk management reserve fund~~ to the credit of the vehicle liability program in any amount that is necessary and adequate, in the exercise of sound and prudent actuarial judgment, to cover potential liability claims, expenses, fees, or damages. Money in the fund may be applied to the payment of liability claims that are filed against the state in the court of claims and determined in the manner provided in Chapter 2743. of the Revised Code. The director of administrative services may procure the services of a qualified actuarial firm for the purpose of recommending the specific amount of money that is required to maintain adequate reserves for a specified period of time.

~~(H)~~(H) The director of administrative services shall collect from each state agency or any participating state body its contribution to the vehicle liability ~~fund~~ program for the purpose of purchasing insurance or administering self-insurance programs for coverage authorized under this section. The amount of the contribution shall be determined by the director, with the approval of the director of budget and management. It shall be based upon actuarial assumptions and the relative risk and loss experience of each state agency or participating state body. The amount of the contribution also shall include a reasonable sum to cover administrative costs of the department of administrative services. The amounts collected pursuant to this division shall be deposited in the risk management reserve fund to the credit of the vehicle liability program.

Sec. 107.12. (A) As used in this section, "organization" means a

faith-based or other organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended, and provides charitable services to needy residents of this state.

(B) There is hereby established within the office of the governor the governor's office of faith-based and community initiatives. The office shall:

(1) Serve as a clearinghouse of information on federal, state, and local funding for charitable services performed by organizations;

(2) Encourage organizations to seek public funding for their charitable services;

(3) Act as a liaison between state agencies and organizations;

(4) Advise the governor, general assembly, and the advisory board of the governor's office of faith-based community initiatives on the barriers that exist to collaboration between organizations and governmental entities and on ways to remove the barriers.

(C) The governor shall appoint an executive assistant to manage the office and perform or oversee the performance of the duties of the office.

(D)(1) There is hereby created the advisory board of the governor's office of faith-based and community initiatives. The board shall consist of members appointed as follows:

(a) The directors of aging, alcohol and drug addiction services, rehabilitation and correction, health, job and family services, mental health, and youth services shall each appoint to the board one employee of that director's department.

(b) The speaker of the house of representatives shall appoint to the board two members of the house of representatives, not more than one of whom shall be from the same political party and at least one of whom shall be from the legislative black caucus. ~~The speaker of the house of representatives shall consult with the president of the legislative black caucus in making the legislative black caucus member appointment.~~ The president of the senate shall appoint to the board two members of the senate, not more than one of whom shall be from the same political party.

(c) The governor, speaker of the house of representatives, and president of the senate shall each appoint to the board three representatives of the nonprofit, faith-based and other nonprofit community.

(2) ~~The appointments to the board shall be made within thirty days after the effective date of this section.~~ Terms of the office shall be one year. Any vacancy that occurs on the board shall be filled in the same manner as the original appointment. The members of the board shall serve without compensation.

(3) At its initial meeting, the board shall elect a chairperson. The chairperson shall be a member of the board who is a member of the house of representatives.

(E) The board shall do both of the following:

(1) Provide direction, guidance, and oversight to the office;

(2) Publish a report of its activities on or before the first day of August of each year, and deliver copies of the report to the governor, the speaker and minority leader of the house of representatives, and the president and minority leader of the senate.

(F) No member of the board or organization that the member is affiliated or involved with is eligible to receive any grant that the office administers or assists in administering.

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 all of the following:

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

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

(3) The heritage garden for all of the following purposes:

(a) To preserve, sustain, and encourage the use of native flora throughout the state;

(b) To replicate the state's physiographic regions, plant communities, and natural landscapes;

(c) To serve as an educational garden that demonstrates the artistic, industrial, political, horticultural, and geologic history of the state through the use of plants;

(d) To serve as a reservoir of rare species of plants from the

physiographic regions of the state.

These duties shall not affect the obligation of the department of administrative services to provide for ~~the~~ and adopt policies and procedures regarding the use, general maintenance, and operating expenses of the governor's residence.

(C) The commission shall consist of 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. 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 June 30, 2006.

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) Six members of the commission constitute a quorum, and the

affirmative vote of 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 Except as otherwise provided in this division, the commission may accept any payment for the use of the governor's residence or 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. The commission shall not accept any donation, gift, bequest, or devise from a person, individual, or member of an individual's immediate family if the person or individual is receiving payments under a contract with the state or a state agency for the purchase of supplies, services, or equipment or for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration of a public improvement, except for payments received under an employment contract or a collective bargaining agreement. 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.

(K) The heritage garden established under this section shall be officially known as "the heritage garden at the Ohio governor's residence."

(L) As used in this section, "heritage garden" means the botanical garden of native plants established at the governor's residence.

Sec. 109.521. There is hereby created in the state treasury the bureau of criminal identification and investigation asset forfeiture and cost reimbursement fund. All amounts awarded to the bureau of criminal identification and investigation as a result of shared federal asset forfeiture and state and local moneys designated as restitution for reimbursement of the costs of investigations shall be deposited into this fund. The moneys in this fund shall be used in accordance with federal asset forfeiture rules, regulations, and laws. Interest earned on the money in this fund shall be credited to the fund.

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) or (A)(10)(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) or (A)(10)(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) or (A)(10)(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) or (A)(10)(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, or 3301.541, division (C) of section 3310.58, or section 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 a registered private provider that is not also a 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 or a registered private provider is required to receive information under this section as a prerequisite to employment of an individual pursuant to division (C) of section 3310.58 or 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 or provider 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 or provider 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 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 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.

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 a request under this division, the superintendent shall determine whether that information exists and, on request of the individual requesting information, shall also request from the federal bureau of investigation any criminal records it has pertaining to 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 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 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 government entity or 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.

(J) As used in this section, "registered private provider" means a nonpublic school or entity registered with the superintendent of public instruction under section 3310.41 of the Revised Code to participate in the autism scholarship program or section 3310.58 of the Revised Code to participate in the special education scholarship pilot program.

Sec. 109.572. (A)(1) Upon receipt of a request pursuant to section 121.08, 3301.32, 3301.541, 3319.39, 5104.012, or 5104.013 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 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 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~~

~~5111.032, 5111.033, or 5111.034~~ 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~~ has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for 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, 2907.24, 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, 2913.48, 2913.49, 2913.51, 2917.11, 2919.12, 2919.22, 2919.24, 2919.25, 2921.13, 2921.36, 2923.02, 2923.12, 2923.13, 2923.161, 2923.32, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 2925.11, 2925.13, 2925.14, 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, an authorized provider of a certified type B family day-care home, or an adult residing in a type A or certified type B home, or when conducting a criminal records check or a request pursuant to section 5104.012 of the Revised Code for a person who is an applicant for employment in a center, type A home, or certified type B 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) Upon receipt of a request pursuant to section 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, 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, 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)(10)(a) of this section.

(11) 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.

(12) On receipt of a request pursuant to section 1322.03, 1322.031, or 4763.05 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 a license, permit, or certification from the department of commerce or a division in the department. 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 violation of section 2913.02, 2913.11, 2913.31, 2913.51, or 2925.03 of the Revised Code; any other criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, or 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 any existing or former law of this state, any other state, or the United States that is substantially equivalent to those offenses.

(13) 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), (10), (11), or (12) 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), (10), (11), or (12) 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, 173.27, 173.394, 1322.03, 1322.031, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 4763.05, 5104.012, 5104.013, ~~5111.95~~, ~~5111.96~~ 5111.032, 5111.033, 5111.034, 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, 173.27, 173.394, 1322.03, 1322.031, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 4763.05, 5104.012, 5104.013, ~~5111.95, 5111.96~~ 5111.032, 5111.033, 5111.034, 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, 173.27, 173.394, 1322.03, 1322.031, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 4763.05, 5104.012, 5104.013, ~~5111.95, 5111.96~~ 5111.032, 5111.033, 5111.034, 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, 173.27, 173.394, 1322.03, 1322.031, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 4763.05, 5104.012, 5104.013, ~~5111.95~~,

~~5111.96~~ 5111.032, 5111.033, 5111.034, 5123.081, 5126.28, 5126.281, or 5153.111 of the Revised Code. The person making a criminal records request under section 121.08, 173.27, 173.394, 1322.03, 1322.031, 2151.86, 3301.32, 3301.541, 3319.39, 3701.881, 3712.09, 3721.121, 3722.151, 4749.03, 4749.06, 4763.05, 5104.012, 5104.013, ~~5111.95, 5111.96, 5111.033, 5111.034~~, 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. In the case of a request under section 5111.032 of the Revised Code, the fee shall be paid in the manner specified in that section.

(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) or (b), (A)(7), (A)(8)(a) or (b), (A)(9)(a) or (b), (A)(10)(a) or (b), or (A)(12) 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) When the superintendent receives a request for information from a registered private provider, the superintendent shall proceed as if the request has been received from a school district board of education under section 3319.39 of the Revised Code. The superintendent shall apply division (A)(7) of this section to any such request for an applicant who is a teacher.

(F) 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)~~(3) "Older adult" means a person age sixty or older.

(4) "Registered private provider" means a nonpublic school or entity registered with the superintendent of public instruction under section 3310.41 of the Revised Code to participate in the autism scholarship program or section 3310.58 of the Revised Code to participate in the special education scholarship pilot program.

Sec. 109.93. The attorney general education fund is hereby created in the ~~custody of the treasurer of state treasury~~. The fund shall consist of gifts and grants received by the attorney general for the purposes of the fund. The fund shall be administered by the attorney general and shall be used to support various educational programs. These educational programs may include programs for consumer protection, victims of crime, environmental protection, drug abuse, child abuse, peace officer training, crime prevention, and law. The fund may also be used to pay costs associated with the solicitation of gifts and grants for the purposes of the fund, and the costs of administering the fund. The fund shall not be used to replace money spent by local programs for similar purposes.

Sec. 111.18. (A) The secretary of state shall keep a record of all fees collected by the secretary of state and, subject to division (B) of section 1309.528 of the Revised Code and except as otherwise provided in the Revised Code, shall pay them into the state treasury to the credit of the corporate and uniform commercial code filing fund created by section 1309.528 of the Revised Code.

(B) The secretary of state may implement alternative payment programs that permit payment of any fee charged by the secretary of state by means other than cash, check, money order, or credit card; an alternative payment program may include, but is not limited to, one that permits a fee to be paid by electronic means of transmission. Fees paid under an alternative payment program shall be deposited to the credit of the secretary of state alternative payment fund, which is hereby created. ~~The secretary of state alternative payment program fund shall be in the custody of the treasurer of state but shall not be part of the state treasury.~~ Any investment income of the secretary of state alternative payment program fund shall be credited to that fund and used to operate the alternative payment program. Within two

working days following the deposit of funds to the credit of the secretary of state alternative payment program fund, the secretary of state shall pay those funds ~~into the state treasury~~ to the credit of the corporate and uniform commercial code filing fund, subject to division (B) of section 1309.401 of the Revised Code and except as otherwise provided in the Revised Code.

The secretary of state shall adopt rules necessary to carry out the purposes of this division.

Sec. 117.11. (A) Except as otherwise provided in this division and in sections 117.112 and 117.113 of the Revised Code, the auditor of state shall audit each public office at least once every two fiscal years. The auditor of state shall audit a public office each fiscal year if that public office is required to be audited on an annual basis pursuant to "The Single Audit Act of 1984," 98 Stat. 2327, 31 U.S.C.A. 7501 et seq., as amended. In the annual or biennial audit, inquiry shall be made into the methods, accuracy, and legality of the accounts, financial reports, records, files, and reports of the office, whether the laws, rules, ordinances, and orders pertaining to the office have been observed, and whether the requirements and rules of the auditor of state have been complied with. Except as otherwise provided in this division or where auditing standards or procedures dictate otherwise, each audit shall cover at least one fiscal year. If a public office is audited only once every two fiscal years, the audit shall cover both fiscal years.

(B) In addition to the annual or biennial audit provided for in division (A) of this section, the auditor of state may conduct an audit of a public office at any time when so requested by the public office or upon the auditor of state's own initiative if the auditor of state has reasonable cause to believe that an additional audit is in the public interest.

(C)(1) The auditor of state shall identify any public office in which the auditor of state will be unable to conduct an audit at least once every two fiscal years as required by division (A) of this section and shall provide immediate written notice to the clerk of the legislative authority or governing board of the public office so identified. Within six months of the receipt of such notice, the legislative authority or governing board may engage an independent certified public accountant to conduct an audit pursuant to section 117.12 of the Revised Code.

(2) When the chief fiscal officer of a public office notifies the auditor of state that an audit is required at a time prior to the next regularly scheduled audit by the auditor of state, the auditor of state shall either cause an earlier audit to be made by the auditor of state or authorize the legislative authority or governing board of the public office to engage an independent certified public accountant to conduct the required audit. The scope of the audit shall

be as authorized by the auditor of state.

(3) The auditor of state shall approve the scope of an audit under division (C)(1) or (2) of this section as set forth in the contract for the proposed audit before the contract is executed on behalf of the public office that is to be audited. The independent accountant conducting an audit under division (C)(1) or (2) of this section shall be paid by the public office.

(D) If a uniform accounting network is established under section 117.101 of the Revised Code, the auditor of state or a certified public accountant employed pursuant to this section or section 115.56 or 117.112 of the Revised Code shall, to the extent practicable, utilize services offered by the network in order to conduct efficient and economical audits of public offices.

(E) The auditor of state shall, in accordance with division (A)(3) of section 9.65 of the Revised Code and this section, audit an annuity program for volunteer fire fighters established by a political subdivision under section 9.65 of the Revised Code. As used in this section, "volunteer fire fighters" and "political subdivision" have the same meanings as in division (C) of section 9.65 of the Revised Code.

Sec. 117.112. The auditor of state shall audit the buckeye tobacco settlement financing authority each fiscal year in accordance with this chapter. The auditor may engage an independent certified public accountant to conduct the audit.

Sec. 117.113. The auditor of state shall audit each science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code in accordance with this chapter each fiscal year.

Sec. 119.07. Except when a statute prescribes a notice and the persons to whom it shall be given, in all cases in which section 119.06 of the Revised Code requires an agency to afford an opportunity for a hearing prior to the issuance of an order, the agency shall give notice to the party informing ~~him~~ the party of ~~his~~ the party's right to a hearing. Notice shall be given by registered mail, return receipt requested, and shall include the charges or other reasons for the proposed action, the law or rule directly involved, and a statement informing the party that ~~he~~ the party is entitled to a hearing if ~~he~~ the party requests it within thirty days of the time of mailing the notice. The notice shall also inform the party that at the hearing ~~he~~ the party may appear in person, by ~~his~~ the party's attorney, or by such other representative as is permitted to practice before the agency, or may present ~~his~~ the party's position, arguments, or contentions in writing and that at the hearing ~~he~~ the party may present evidence and examine witnesses appearing for and against ~~him~~ the party. A copy of the notice shall be mailed to

attorneys or other representatives of record representing the party. This paragraph does not apply to situations in which such section provides for a hearing only when it is requested by the party.

When a statute specifically permits the suspension of a license without a prior hearing, notice of the agency's order shall be sent to the party by registered mail, return receipt requested, not later than the business day next succeeding such order. The notice shall state the reasons for the agency's action, cite the law or rule directly involved, and state that the party will be afforded a hearing if ~~he~~ the party requests it within thirty days of the time of mailing the notice. A copy of the notice shall be mailed to attorneys or other representatives of record representing the party.

Whenever a party requests a hearing in accordance with this section and section 119.06 of the Revised Code, the agency shall immediately set the date, time, and place for the hearing and forthwith notify the party thereof. The date set for the hearing shall be within fifteen days, but not earlier than seven days, after the party has requested a hearing, unless otherwise agreed to by both the agency and the party.

When any notice sent by registered mail, as required by sections 119.01 to 119.13 of the Revised Code, is returned because ~~of failure of delivery~~ the party fails to claim the notice, the agency shall send the notice by ordinary mail to the party at the party's last known address and shall obtain a certificate of mailing. Service by ordinary mail is complete when the certificate of mailing is obtained unless the notice is returned showing failure of delivery.

If any notice sent by registered or ordinary mail is returned for failure of delivery, the agency either shall make personal delivery of the notice by an employee or agent of the agency or shall cause a summary of the substantive provisions of the notice to be published once a week for three consecutive weeks in a newspaper of general circulation in the county where the last known ~~place of residence or business~~ address of the party is located. When notice is given by publication, a ~~copy of the newspaper~~ proof of publication affidavit, with the first publication of the notice ~~marked~~ set forth in the affidavit, shall be mailed by ordinary mail to the party at the party's last known address and the notice shall be deemed received as of the date of the last publication. An employee or agent of the agency may make personal delivery of the notice upon a party at any time.

Refusal of delivery by personal service or by mail is not failure of delivery and service is deemed to be complete. Failure of delivery occurs only when a mailed notice is returned by the postal authorities marked undeliverable, address or addressee unknown, or forwarding address

unknown or expired. A party's last known address is the mailing address of the party appearing in the records of the agency.

The failure of an agency to give the notices for any hearing required by sections 119.01 to 119.13 of the Revised Code in the manner provided in this section shall invalidate any order entered pursuant to the hearing.

Sec. 120.33. (A) In lieu of using a county public defender or joint county public defender to represent indigent persons in the proceedings set forth in division (A) of section 120.16 of the Revised Code, the board of county commissioners of any county may adopt a resolution to pay counsel who are either personally selected by the indigent person or appointed by the court. The resolution shall include those provisions the board of county commissioners considers necessary to provide effective representation of indigent persons in any proceeding for which counsel is provided under this section. The resolution shall include provisions for contracts with any municipal corporation under which the municipal corporation shall reimburse the county for counsel appointed to represent indigent persons charged with violations of the ordinances of the municipal corporation.

(1) In a county that adopts a resolution to pay counsel, an indigent person shall have the right to do either of the following:

(a) To select the person's own personal counsel to represent the person in any proceeding included within the provisions of the resolution;

(b) To request the court to appoint counsel to represent the person in such a proceeding.

(2) The court having jurisdiction over the proceeding in a county that adopts a resolution to pay counsel shall, after determining that the person is indigent and entitled to legal representation under this section, do either of the following:

(a) By signed journal entry recorded on its docket, enter the name of the lawyer selected by the indigent person as counsel of record;

(b) Appoint counsel for the indigent person if the person has requested the court to appoint counsel and, by signed journal entry recorded on its dockets, enter the name of the lawyer appointed for the indigent person as counsel of record.

(3) The board of county commissioners shall establish a schedule of fees by case or on an hourly basis to be paid to counsel for legal services provided pursuant to a resolution adopted under this section. Prior to establishing the schedule, the board of county commissioners shall request the bar association or associations of the county to submit a proposed schedule. The schedule submitted shall be subject to the review, amendment, and approval of the board of county commissioners.

(4) Counsel selected by the indigent person or appointed by the court at the request of an indigent person in a county that adopts a resolution to pay counsel, except for counsel appointed to represent a person charged with any violation of an ordinance of a municipal corporation that has not contracted with the county commissioners for the payment of appointed counsel, shall be paid by the county and shall receive the compensation and expenses the court approves. Each request for payment shall be accompanied by a financial disclosure form and an affidavit of indigency that are completed by the indigent person on forms prescribed by the state public defender. Compensation and expenses shall not exceed the amounts fixed by the board of county commissioners in the schedule adopted pursuant to division (A)(3) of this section. No court shall approve compensation and expenses that exceed the amount fixed pursuant to division (A)(3) of this section.

The fees and expenses approved by the court shall not be taxed as part of the costs and shall be paid by the county. However, if the person represented has, or may reasonably be expected to have, the means to meet some part of the cost of the services rendered to the person, the person shall pay the county an amount that the person reasonably can be expected to pay. Pursuant to section 120.04 of the Revised Code, the county shall pay to the state public defender a percentage of the payment received from the person in an amount proportionate to the percentage of the costs of the person's case that were paid to the county by the state public defender pursuant to this section. The money paid to the state public defender shall be credited to the client payment fund created pursuant to division (B)(5) of section 120.04 of the Revised Code.

The county auditor shall draw a warrant on the county treasurer for the payment of counsel in the amount fixed by the court, plus the expenses the court fixes and certifies to the auditor. The county auditor shall report periodically, but not less than annually, to the board of county commissioners and to the ~~Ohio state public defender commission~~ the amounts paid out pursuant to the approval of the court. The board of county commissioners, after review and approval of the auditor's report, or the county auditor, with permission from and notice to the board of county commissioners, may then certify it to the state public defender for reimbursement. ~~If a~~ The state public defender may pay a requested reimbursement only if the request for reimbursement is ~~not~~ accompanied by a financial disclosure form and an affidavit of indigency completed by the indigent person on forms prescribed by the state public defender, ~~the state public defender shall not pay the requested reimbursement or if the court~~

certifies by electronic signature as prescribed by the state public defender that a financial disclosure form and affidavit of indigency have been completed by the indigent person and are available for inspection. If a request for the reimbursement of the cost of counsel in any case is not received by the state public defender within ninety days after the end of the calendar month in which the case is finally disposed of by the court, unless the county has requested and the state public defender has granted an extension of the ninety-day limit, the state public defender shall not pay the requested reimbursement. The state public defender shall also review the report and, in accordance with the standards, guidelines, and maximums established pursuant to divisions (B)(7) and (8) of section 120.04 of the Revised Code, prepare a voucher for fifty per cent of the total cost of each county appointed counsel system in the period of time covered by the certified report and a voucher for fifty per cent of the costs and expenses that are reimbursable under section 120.35 of the Revised Code, if any, or, if the amount of money appropriated by the general assembly to reimburse counties for the operation of county public defender offices, joint county public defender offices, and county appointed counsel systems is not sufficient to pay fifty per cent of the total cost of all of the offices and systems other than costs and expenses that are reimbursable under section 120.35 of the Revised Code, for the lesser amount required by section 120.34 of the Revised Code.

(5) If any county appointed counsel system fails to maintain the standards for the conduct of the system established by the rules of the Ohio public defender commission pursuant to divisions (B) and (C) of section 120.03 or the standards established by the state public defender pursuant to division (B)(7) of section 120.04 of the Revised Code, the Ohio public defender commission shall notify the board of county commissioners of the county that the county appointed counsel system has failed to comply with its rules or the standards of the state public defender. Unless the board of county commissioners corrects the conduct of its appointed counsel system to comply with the rules and standards within ninety days after the date of the notice, the state public defender may deny all or part of the county's reimbursement from the state provided for in division (A)(4) of this section.

(B) In lieu of using a county public defender or joint county public defender to represent indigent persons in the proceedings set forth in division (A) of section 120.16 of the Revised Code, and in lieu of adopting the resolution and following the procedure described in division (A) of this section, the board of county commissioners of any county may contract with the state public defender for the state public defender's legal representation

of indigent persons. A contract entered into pursuant to this division may provide for payment for the services provided on a per case, hourly, or fixed contract basis.

(C) If a court appoints an attorney pursuant to this section to represent a petitioner in a postconviction relief proceeding under section 2953.21 of the Revised Code, the petitioner has received a sentence of death, and the proceeding relates to that sentence, the attorney who represents the petitioner in the proceeding pursuant to the appointment shall be certified under Rule 20 of the Rules of Superintendence for the Courts of Ohio to represent indigent defendants charged with or convicted of an offense for which the death penalty can be or has been imposed.

Sec. 121.48. There is hereby created the office of the inspector general, to be headed by the inspector general.

The governor shall appoint the inspector general, subject to section 121.49 of the Revised Code and the advice and consent of the senate. The inspector general shall hold office for a term coinciding with the term of the appointing governor. The governor may remove the inspector general from office only after delivering written notice to the inspector general of the reasons for which the governor intends to remove the inspector general from office and providing the inspector general with an opportunity to appear and show cause why the inspector general should not be removed.

In addition to the duties imposed by section 121.42 of the Revised Code, the inspector general shall manage the office of the inspector general. The inspector general shall establish and maintain offices in Columbus.

The inspector general may ~~appoint~~ employ and fix the compensation of one or more deputy inspectors general. Each deputy inspector general shall serve for a term coinciding with the term of the appointing inspector general, and shall perform the duties, including the performance of investigations, that are assigned by the inspector general. All deputy inspectors general are in the unclassified service and serve at the pleasure of the inspector general.

In addition to deputy inspectors general, the inspector general may ~~appoint~~ employ and fix the compensation of professional, technical, and clerical employees that are necessary for the effective and efficient operation of the office of the inspector general. All professional, technical, and clerical employees of the office of the inspector general are in the unclassified service and serve at the pleasure of the appointing inspector general.

The inspector general may enter into any contracts that are necessary to the operation of the office of the inspector general. The contracts may

include, but are not limited to, contracts for the services of persons who are experts in a particular field and whose expertise is necessary to the successful completion of an investigation.

Not later than the first day of March in each year, the inspector general shall publish an annual report summarizing the activities of the inspector general's office during the previous calendar year. The annual report shall not disclose the results of any investigation insofar as the results are designated as confidential under section 121.44 of the Revised Code.

The inspector general shall provide copies of the inspector general's annual report to the governor and the general assembly. The inspector general also shall provide a copy of the annual report to any other person who requests the copy and pays a fee prescribed by the inspector general. The fee shall not exceed the cost of reproducing and delivering the annual report.

Sec. 121.51. There is hereby created in the office of the inspector general the position of deputy inspector general for the department of transportation. The inspector general shall appoint the deputy inspector general, and the deputy inspector general shall serve at the pleasure of the inspector general. A person employed as the deputy inspector general shall have the same qualifications as those specified in section 121.49 of the Revised Code for the inspector general. The inspector general shall provide technical, professional, and clerical assistance to the deputy inspector general. The inspector general shall certify to the director of budget and management the costs ~~incurred by the deputy inspector general~~, including the salaries of the deputy inspector general and the employees assisting the deputy inspector general, that the inspector general expects the deputy inspector general to incur during the fiscal year or such lesser period for which the certification is made. The director of budget and management shall transfer the ~~amount~~ amounts certified to the deputy inspector general for ODOT fund, which is hereby created in the state treasury, from the appropriation made to the department of transportation from which expenditures for general administrative purposes, as distinguished from specific infrastructure projects, are made. The transfers shall be made in accordance with a schedule that the inspector general considers to be appropriate but shall not be in amounts that would create a balance in the fund in excess of need or that would exceed the amount appropriated from the fund. The inspector general shall use the deputy inspector general for ODOT fund to pay costs incurred by the deputy inspector general.

The deputy inspector general shall investigate all wrongful acts or omissions that have been committed or are being committed by employees

of the department. In addition, the deputy inspector general shall conduct a program of random review of the processing of contracts associated with building and maintaining the state's infrastructure. The random review program shall be designed by the inspector general. The program shall be confidential and may be altered by the inspector general at any time. The deputy inspector general has the same powers and duties regarding matters concerning the department as those specified in sections 121.42, 121.43, and 121.45 of the Revised Code for the inspector general. Complaints may be filed with the deputy inspector general in the same manner as prescribed for complaints filed with the inspector general under section 121.46 of the Revised Code. All investigations conducted and reports issued by the deputy inspector general are subject to section 121.44 of the Revised Code.

All officers and employees of the department shall cooperate with and provide assistance to the deputy inspector general in the performance of any investigation conducted by the deputy inspector general. In particular, those persons shall make their premises, equipment, personnel, books, records, and papers readily available to the deputy inspector general. In the course of an investigation, the deputy inspector general may question any officers or employees of the department and any person transacting business with the department and may inspect and copy any books, records, or papers in the possession of the department, taking care to preserve the confidentiality of information contained in responses to questions or the books, records, or papers that are made confidential by law. In performing any investigation, the deputy inspector general shall avoid interfering with the ongoing operations of the department, except insofar as is reasonably necessary to complete the investigation successfully.

At the conclusion of an investigation by the deputy inspector general, the deputy inspector general shall deliver to the director of transportation and the governor any case for which remedial action is necessary. The deputy inspector general shall maintain a public record of the activities of the deputy inspector general to the extent permitted under this section, ensuring that the rights of the parties involved in each case are protected. The inspector general shall include in the annual report required by section 121.48 of the Revised Code a summary of the deputy inspector general's activities during the previous year.

No person shall disclose any information that is designated as confidential in accordance with section 121.44 of the Revised Code or any confidential information that is acquired in the course of an investigation conducted under this section to any person who is not legally entitled to disclosure of that information.

Sec. 122.051. There is hereby created in the state treasury the international trade cooperative projects fund. The fund shall consist of moneys received from private and nonprofit organizations involved in cooperative agreements related to import/export and direct foreign investment activities and cash transfers from other state agencies or any state or local government to encourage, promote, and assist trade and commerce between this state and foreign nations, pursuant to section 122.05 and division (E) of section 122.04 of the Revised Code.

Sec. 122.071. There is hereby created in the state treasury the travel and tourism cooperative projects fund consisting of all grants, gifts, and contributions made to the director of development for marketing and promotion of travel and tourism within this state pursuant to division (F) of section 122.04 and section 122.07 of the Revised Code.

Sec. 122.076. There is hereby created in the state treasury the energy projects fund consisting of nonfederal revenue that is remitted to the director of development for the purpose of energy projects. Money in the fund shall be used by the department of development for energy projects and to pay the costs incurred in administering the energy projects.

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

(1) "Full-time employee" means an individual who is employed for consideration for at least an average of 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, or who is employed for consideration for such time or renders such service but is on family or medical leave under the federal Family and Medical Leave Act of 1993, Pub. L. No. 103-3, 107 Stat. 6, as amended, or on active duty reserve or Ohio national guard service.

(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. A full-time employee may be considered a "new employee" of a taxpayer, despite previously having been

employed by a related member of the taxpayer, if all of the following apply:

(i) The related member is a party to the tax credit agreement at the time the employee is first employed with the taxpayer;

(ii) The related member will remain subject to the tax imposed by section 5725.18, 5729.03, 5733.06, or 5747.02 or levied under Chapter 5751. of the Revised Code for the remainder of the term of the tax credit, and the tax credit is taken against liability for that same tax through the remainder of the term of the tax credit; and

(iii) The employee was considered a new employee of the related member prior to employment with the taxpayer.

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 (1) in the taxable year immediately following the taxable year in which the authority amends the agreement or the director of development notifies the taxpayer in writing of such failure, or (2) in the first tax period beginning in the calendar year immediately following the calendar year in which the authority amends the agreement or the director notifies the taxpayer in writing of such failure. If the taxpayer fails to annually report any of the information required by division (D)(6) of this section within the time required by the director, the reduction of the percentage or term may take effect in the current taxable year. 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. 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. The fees collected shall be credited to the tax incentive programs operating fund created in section 122.174 of the Revised Code. 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~~ may elect to pass

the credit received under this section through to the persons to whom the income or profit of the partnership, S-corporation, or other entity is distributed. The election shall be made on the annual report required under division (D)(6) of this section. The election applies to and is irrevocable for the credit for which the report is submitted. If the election is made, the credit shall be apportioned among those persons 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 or has caused to be made payments for the capital investment project, including payments made by an unrelated third party entity as a result of a lease of not less than twenty years in term, 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; If the investment under division (A)(2)(b) of this section was made by a third party entity as a result of a lease of not less than twenty years in term, the project must include headquarters operations that are part of a mixed use development that includes at least two of the following: office, hotel, research and

development, or retail facilities.

(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 an average of 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, or is employed in such position for consideration for such time, but is on active duty reserve or Ohio national guard service.

(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 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 provided, however, that if the project site is leased, the term of the tax credit cannot exceed the lesser of fifteen years or one-half the term of the lease, including any permitted renewal periods. 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 (1) in the taxable year immediately following the taxable year in which the authority amends the agreement or the director of development notifies the taxpayer in writing of such failure, or (2) in the first tax period beginning in the calendar year immediately following the calendar year in which the authority amends the agreement or the director notifies the taxpayer in writing of such failure. If the taxpayer fails to annually report any of the information required by division (E)(6) of this section within the time required by the director, the reduction of the percentage or term may take effect in the current taxable year. 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. 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~~ may elect to pass the credit received under this section through to the persons to whom the income or profit of the partnership, S-corporation, or other entity is distributed. The election shall be made on the annual report required under division (E)(6) of this section. The election applies to and is irrevocable for the credit for which the report is submitted. If the election is made, the credit shall be apportioned among those persons 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. The fees collected shall be credited to the tax incentive programs operating fund created in section 122.174 of the Revised Code. 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. 122.174. There is hereby created in the state treasury the tax incentive programs operating fund. Money collected pursuant to division (I) of section 121.17, division (K) of section 122.171, division (C) of section 3735.672, and division (C) of section 5709.68 of the Revised Code shall be credited to the fund. The director of development shall use money in the

fund to pay expenses related to the administration of the tax credit programs authorized by sections 122.17, 122.171, 3735.672, and 5709.68 of the Revised Code.

Sec. 122.602. (A) There is hereby created in the department of development the capital access loan program to assist participating financial institutions in making program loans to eligible businesses that face barriers in accessing working capital and obtaining fixed asset financing. In administering the program, the director of development may do any of the following:

(1) 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, the United States or any agency of the United States, the state or any agency of the state, or any political subdivision of the state;

(2) Agree to repay any contribution of money or return any property contributed or the value of that property at the times, in the amounts, and on the terms and conditions, excluding the payment of interest, that the director consents to at the time a contribution is made; and evidence obligations by notes, bonds, or other written instruments;

(3) Adopt rules under Chapter 119. of the Revised Code to carry out the purposes of the program specified in sections 122.60 to 122.605 of the Revised Code;

(4) Engage in all other acts, and enter into contracts and execute all instruments, necessary or appropriate to carry out the purposes specified in sections 122.60 to 122.605 of the Revised Code.

(B) The director shall determine the eligibility of a financial institution to participate in the program and may set a limit on the number of financial institutions that may participate in the program.

(C) To be considered eligible by the director to participate in the program, a financial institution shall enter into a participation agreement with the department that sets out the terms and conditions under which the department will deposit moneys from the fund into the financial institution's program reserve account, specifies the criteria for loan qualification under the program, and contains any additional terms the director considers necessary.

(D) After receiving the certification required under division (C) of section 122.603 of the Revised Code, the director may disburse moneys from the fund to a participating financial institution for deposit in its program reserve account if the director determines that the capital access

loan involved meets all of the following criteria:

- (1) It will be made to an eligible business.
- (2) It will be used by the eligible business for a project, activity, or enterprise that fosters economic development.
- (3) It will not be made in order to enroll in the program prior debt that is not covered under the program and that is owed or was previously owed by an eligible business to the financial institution.
- (4) It will not be utilized for a project or development related to the on-site construction or purchase of residential housing.
- (5) It will not be used to finance passive real estate ownership.
- (6) It conforms to the requirements of divisions (E), (F), (G), (H), and (I) of this section, and to the rules adopted by the director under division (A)(3) of this section.

(E) The director shall not approve a capital access loan to an eligible business that exceeds two hundred fifty thousand dollars for working capital or five hundred thousand dollars for the purchase of fixed assets. An eligible business may apply for the maximum amount of both working capital and the purchase of fixed assets in the same capital access loan.

(F) A financial institution may apply to the director for the approval of a capital access loan to any business that is owned or operated by a person that has previously defaulted under any state financial assistance program.

(G) Eligible businesses that apply for a capital access loan shall comply with section 9.66 of the Revised Code.

(H) A financial institution may apply to the director for the approval of a capital access loan that refinances a nonprogram loan made by another financial institution.

(I) The director shall not approve a capital access loan that refinances a nonprogram loan made by the same financial institution, unless the amount of the refinanced loan exceeds the existing debt, in which case only the amount exceeding the existing debt is eligible for a loan under the program.

~~(J) The director shall not approve any capital access loan made after June 30, 2007, or enter into a participation agreement with any financial institution after that date.~~

Sec. 122.652. (A)(1) An applicant seeking a grant or loan for a brownfield cleanup or remediation project from the clean Ohio revitalization fund created in section 122.658 of the Revised Code shall request an application form from the appropriate integrating committee with geographical jurisdiction over the project for which a grant or loan is sought. The applicant shall complete the application and include all of the information required by sections 122.65 to 122.658 of the Revised Code and

policies and requirements established under section 122.657 of the Revised Code.

(2) In addition to the information that is required to be included in the application under division (A)(1) of this section, an applicant shall include an affidavit signed by the authorized representative of the applicant certifying that the applicant did not cause or contribute to the release of hazardous substances or petroleum at the brownfield that is the subject of the application.

No person shall submit a false affidavit under division (A)(2) of this section.

(3) After completion of the application, but prior to the submission of the application to the integrating committee under division (B) of this section, the applicant shall conduct a public meeting concerning the application and the proposed cleanup or remediation. Not later than forty-five days prior to conducting the public meeting, the applicant shall provide notice of the date, time, and location of the public meeting in a newspaper of general circulation in the county in which the property that is the subject of the application is located. In addition, not later than forty-five days prior to the hearing, the applicant shall post notice of the date, time, and location of the public meeting at the property on a sign that measures not less than four feet by four feet or, if the political subdivision in which the sign is to be posted prohibits a sign of that size, the maximum size of sign permitted by that political subdivision.

In addition, not later than forty-five days prior to the public meeting, the applicant shall provide a copy of the application to a public library in the vicinity of the property for public review. The submission of the application and the location of the public library shall be included in the notice required under this division. The general public may submit comments to the applicant concerning the application prior to and at the public meeting.

(B) An applicant shall submit a completed application, all required information, and an application summary to the appropriate integrating committee. Based on a review of the application summaries submitted to it, an integrating committee or, if required under division (C) of this section, the executive committee of the integrating committee shall prioritize all applications in accordance with criteria and procedures established pursuant to section 122.657 of the Revised Code. The integrating committee shall choose not more than six applications annually that it determines merit funding and shall forward those applications and all accompanying information to the clean Ohio council. In prioritizing and choosing applications under this division, an integrating committee or, if required

under division (C) of this section, the executive committee of the integrating committee shall consult with local and regional economic development agencies or resources, community development agencies or organizations, local business organizations, and other appropriate entities located or operating in the geographic jurisdiction of the integrating committee.

Notwithstanding this division or division (C) of this section, if an integrating committee receives only one application in any given year, the chair of the integrating committee or, if required under division (C) of this section, the chair of the executive committee of the integrating committee may forward that application to the clean Ohio council as the district's top priority project for that year without a vote of the full integrating committee or executive committee, as applicable. However, the chair of the integrating committee or chair of the executive committee, as applicable, shall provide written notice of the chair's intent to forward the application to each member of the integrating committee or executive committee, as applicable, not later than fifteen days prior to forwarding the application.

(C) For purposes of division (B) of this section, all decisions of an integrating committee that is required to be organized in accordance with division (A)(5) or (6) of section 164.04 of the Revised Code shall be approved by its executive committee that is required to be established under division (A)(7) or (8) of that section. The affirmative vote of at least seven members of an executive committee established under division (A)(7) of section 164.04 of the Revised Code, or of at least nine members of an executive committee established under division (A)(8) of that section, is required for any action taken by an executive committee for purposes of division (B) of this section. A decision of an executive committee may be rejected by a vote of at least two-thirds of the full membership of the applicable integrating committee not later than thirty days after the executive committee action. If an executive committee is required under this division to prioritize applications under division (B) of this section, only applications that are approved by the executive committee may be submitted to the clean Ohio council for purposes of sections 122.65 to 122.659 of the Revised Code.

(D) The clean Ohio council shall supply application forms to each integrating committee.

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), (C), or (D) of this section, as applicable.

(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), (E), (F), or (G) 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 ~~(E), (F), or (G)~~ of this section, as applicable, 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 ~~(E), (F), or (G)~~ of this section, as applicable, 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 ~~(E), (F), or (G)~~ of this section, as applicable, moves to another position assigned to pay range 12 or above, the appointing authority ~~has the discretion to~~ may assign the employee to be paid a salary or wage in the appropriate pay range for that position in accordance with the applicable 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, 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	9.40	9.82	10.24	10.68		
	Annually	19552	20426	21299	22214		
2	Hourly	11.40	11.88	12.40	12.94		
	Annually	23712	24710	25792	26915		
3	Hourly	11.94	12.48	13.03	13.60		

	Annually	24835 2595827102 28288
4	Hourly	12.54 13.10 13.72 14.34
	Annually	26083 2724828538 29827
5	Hourly	13.15 13.75 14.34 14.97
	Annually	27352 2860029827 31138
6	Hourly	13.86 14.43 15.07 15.69
	Annually	28829 3001431346 32635
7	Hourly	14.72 15.27 15.88 16.44 17.08
	Annually	30618 3176233030 34195 35526
8	Hourly	15.56 16.24 16.95 17.71 18.46
	Annually	32365 3377935256 36837 38397
9	Hourly	16.60 17.46 18.32 19.23 20.21
	Annually	34528 3631738106 39998 42037
10	Hourly	17.91 18.89 19.90 21.05 22.18
	Annually	37253 3929141392 43784 46134
11	Hourly	19.50 20.64 21.84 23.06 24.38
	Annually	40560 4293145427 47965 50710
12	Hourly	21.51 22.72 23.94 25.27 26.68 28.13
	Annually	44741 4725849795 52562 5549458510
13	Hourly	23.71 25.01 26.39 27.80 29.36 30.96
	Annually	49317 5202154891 57824 6106964397
14	Hourly	26.08 27.55 29.03 30.62 32.35 34.15
	Annually	54246 5730460382 63690 6728871032
15	Hourly	28.64 30.25 31.96 33.72 35.59 37.55
	Annually	59571 6292066477 70138 7402778104
16	Hourly	31.58 33.33 35.17 37.14 39.19 41.43
	Annually	65686 6932673154 77251 8151586174
17	Hourly	34.80 36.72 38.78 40.92 43.20 45.61
	Annually	72384 7637880662 85114 8985694869
18	Hourly	38.35 40.47 42.75 45.10 47.60 50.26
	Annually	79768 8417888920 93808 99008104541

Schedule E-2

	Range	Minimum	Maximum
41	Hourly	16.23	34.77
	Annually	33758	72322
42	Hourly	17.89	38.41
	Annually	37211	79893
43	Hourly	19.70	42.30
	Annually	40976	87984
44	Hourly	21.73	46.21

	Annually	45198	96117
45	Hourly	24.01	50.44
	Annually	49941	104915
46	Hourly	26.43	55.13
	Annually	54974	114670
47	Hourly	29.14	60.16
	Annually	60611	125133
48	Hourly	32.14	65.65
	Annually	66851	136552
49	Hourly	35.44	70.89
	Annually	73715	147451

(C) Beginning on the first day of the pay period that includes July 1, 2007, 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

		<u>Pay Ranges and Step Values</u>					
<u>Range</u>		<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>
1	<u>Hourly</u>	<u>9.73</u>	<u>10.16</u>	<u>10.60</u>	<u>11.05</u>		
	<u>Annually</u>	<u>20238</u>	<u>21133</u>	<u>22048</u>	<u>22984</u>		
2	<u>Hourly</u>	<u>11.80</u>	<u>12.30</u>	<u>12.83</u>	<u>13.39</u>		
	<u>Annually</u>	<u>24544</u>	<u>25584</u>	<u>26686</u>	<u>27851</u>		
3	<u>Hourly</u>	<u>12.36</u>	<u>12.92</u>	<u>13.49</u>	<u>14.08</u>		
	<u>Annually</u>	<u>25709</u>	<u>26874</u>	<u>28059</u>	<u>29286</u>		
4	<u>Hourly</u>	<u>12.98</u>	<u>13.56</u>	<u>14.20</u>	<u>14.84</u>		
	<u>Annually</u>	<u>26998</u>	<u>28205</u>	<u>29536</u>	<u>30867</u>		
5	<u>Hourly</u>	<u>13.61</u>	<u>14.23</u>	<u>14.84</u>	<u>15.49</u>		
	<u>Annually</u>	<u>28309</u>	<u>29598</u>	<u>30867</u>	<u>32219</u>		
6	<u>Hourly</u>	<u>14.35</u>	<u>14.94</u>	<u>15.60</u>	<u>16.24</u>		
	<u>Annually</u>	<u>29848</u>	<u>31075</u>	<u>32448</u>	<u>33779</u>		
7	<u>Hourly</u>	<u>15.24</u>	<u>15.80</u>	<u>16.44</u>	<u>17.02</u>	<u>17.68</u>	
	<u>Annually</u>	<u>31699</u>	<u>32864</u>	<u>34195</u>	<u>35402</u>	<u>36774</u>	
8	<u>Hourly</u>	<u>16.10</u>	<u>16.81</u>	<u>17.54</u>	<u>18.33</u>	<u>19.11</u>	
	<u>Annually</u>	<u>33488</u>	<u>34965</u>	<u>36483</u>	<u>38126</u>	<u>39749</u>	
9	<u>Hourly</u>	<u>17.18</u>	<u>18.07</u>	<u>18.96</u>	<u>19.90</u>	<u>20.92</u>	
	<u>Annually</u>	<u>35734</u>	<u>37586</u>	<u>39437</u>	<u>41392</u>	<u>43514</u>	
10	<u>Hourly</u>	<u>18.54</u>	<u>19.55</u>	<u>20.60</u>	<u>21.79</u>	<u>22.96</u>	
	<u>Annually</u>	<u>38563</u>	<u>40664</u>	<u>42848</u>	<u>45323</u>	<u>47757</u>	
11	<u>Hourly</u>	<u>20.18</u>	<u>21.36</u>	<u>22.60</u>	<u>23.87</u>	<u>25.23</u>	

	<u>Annually</u>	<u>41974</u>	<u>44429</u>	<u>47008</u>	<u>49650</u>	<u>52478</u>
<u>12</u>	<u>Hourly</u>	<u>22.26</u>	<u>23.52</u>	<u>24.78</u>	<u>26.15</u>	<u>27.61</u>
	<u>Annually</u>	<u>46301</u>	<u>48922</u>	<u>51542</u>	<u>54392</u>	<u>57429</u>
<u>13</u>	<u>Hourly</u>	<u>24.54</u>	<u>25.89</u>	<u>27.31</u>	<u>28.77</u>	<u>30.39</u>
	<u>Annually</u>	<u>51043</u>	<u>53851</u>	<u>56805</u>	<u>59842</u>	<u>63211</u>
<u>14</u>	<u>Hourly</u>	<u>26.99</u>	<u>28.51</u>	<u>30.05</u>	<u>31.69</u>	<u>33.48</u>
	<u>Annually</u>	<u>56139</u>	<u>59301</u>	<u>62504</u>	<u>65915</u>	<u>69638</u>
<u>15</u>	<u>Hourly</u>	<u>29.64</u>	<u>31.31</u>	<u>33.08</u>	<u>34.90</u>	<u>36.84</u>
	<u>Annually</u>	<u>61651</u>	<u>65125</u>	<u>68806</u>	<u>72592</u>	<u>76627</u>
<u>16</u>	<u>Hourly</u>	<u>32.69</u>	<u>34.50</u>	<u>36.40</u>	<u>38.44</u>	<u>40.56</u>
	<u>Annually</u>	<u>67995</u>	<u>71760</u>	<u>75712</u>	<u>79955</u>	<u>84365</u>
<u>17</u>	<u>Hourly</u>	<u>36.02</u>	<u>38.01</u>	<u>40.14</u>	<u>42.35</u>	<u>44.71</u>
	<u>Annually</u>	<u>74922</u>	<u>79061</u>	<u>83491</u>	<u>88088</u>	<u>92997</u>
<u>18</u>	<u>Hourly</u>	<u>39.69</u>	<u>41.89</u>	<u>44.25</u>	<u>46.68</u>	<u>49.27</u>
	<u>Annually</u>	<u>82555</u>	<u>87131</u>	<u>92040</u>	<u>97094</u>	<u>102482</u>

Schedule E-2

	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>35.99</u>
	<u>Annually</u>	<u>33758</u>	<u>74859</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>39.75</u>
	<u>Annually</u>	<u>37211</u>	<u>82680</u>
<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>43.78</u>
	<u>Annually</u>	<u>40976</u>	<u>91062</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>47.83</u>
	<u>Annually</u>	<u>45198</u>	<u>99486</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>52.21</u>
	<u>Annually</u>	<u>49941</u>	<u>108597</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>57.06</u>
	<u>Annually</u>	<u>54974</u>	<u>118685</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>62.27</u>
	<u>Annually</u>	<u>60611</u>	<u>129522</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>67.95</u>
	<u>Annually</u>	<u>66851</u>	<u>141336</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>73.37</u>
	<u>Annually</u>	<u>73715</u>	<u>152610</u>

(D) Beginning on the first day of the pay period that includes July 1, 2008, 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

	<u>Range</u>	<u>Step</u> <u>1</u>	<u>Step</u> <u>2</u>	<u>Step</u> <u>3</u>	<u>Step</u> <u>4</u>	<u>Step</u> <u>5</u>	<u>Step</u> <u>6</u>
1	<u>Hourly</u>	<u>10.07</u>	<u>10.52</u>	<u>10.97</u>	<u>11.44</u>		
	<u>Annually</u>	<u>20946</u>	<u>21882</u>	<u>22818</u>	<u>23795</u>		
2	<u>Hourly</u>	<u>12.21</u>	<u>12.73</u>	<u>13.28</u>	<u>13.86</u>		
	<u>Annually</u>	<u>25397</u>	<u>26478</u>	<u>27622</u>	<u>28829</u>		
3	<u>Hourly</u>	<u>12.79</u>	<u>13.37</u>	<u>13.96</u>	<u>14.57</u>		
	<u>Annually</u>	<u>26603</u>	<u>27810</u>	<u>29037</u>	<u>30306</u>		
4	<u>Hourly</u>	<u>13.43</u>	<u>14.03</u>	<u>14.70</u>	<u>15.36</u>		
	<u>Annually</u>	<u>27934</u>	<u>29182</u>	<u>30576</u>	<u>31949</u>		
5	<u>Hourly</u>	<u>14.09</u>	<u>14.73</u>	<u>15.36</u>	<u>16.03</u>		
	<u>Annually</u>	<u>29307</u>	<u>30638</u>	<u>31949</u>	<u>33342</u>		
6	<u>Hourly</u>	<u>14.85</u>	<u>15.46</u>	<u>16.15</u>	<u>16.81</u>		
	<u>Annually</u>	<u>30888</u>	<u>32157</u>	<u>33592</u>	<u>34965</u>		
7	<u>Hourly</u>	<u>15.77</u>	<u>16.35</u>	<u>17.02</u>	<u>17.62</u>	<u>18.30</u>	
	<u>Annually</u>	<u>32802</u>	<u>34008</u>	<u>35402</u>	<u>36650</u>	<u>38064</u>	
8	<u>Hourly</u>	<u>16.66</u>	<u>17.40</u>	<u>18.15</u>	<u>18.97</u>	<u>19.78</u>	
	<u>Annually</u>	<u>34653</u>	<u>36192</u>	<u>37752</u>	<u>39458</u>	<u>41142</u>	
9	<u>Hourly</u>	<u>17.78</u>	<u>18.70</u>	<u>19.62</u>	<u>20.60</u>	<u>21.65</u>	
	<u>Annually</u>	<u>36982</u>	<u>38896</u>	<u>40810</u>	<u>42848</u>	<u>45032</u>	
10	<u>Hourly</u>	<u>19.19</u>	<u>20.23</u>	<u>21.32</u>	<u>22.55</u>	<u>23.76</u>	
	<u>Annually</u>	<u>39915</u>	<u>42078</u>	<u>44346</u>	<u>46904</u>	<u>49421</u>	
11	<u>Hourly</u>	<u>20.89</u>	<u>22.11</u>	<u>23.39</u>	<u>24.71</u>	<u>26.11</u>	
	<u>Annually</u>	<u>43451</u>	<u>45989</u>	<u>48651</u>	<u>51397</u>	<u>54309</u>	
12	<u>Hourly</u>	<u>23.04</u>	<u>24.34</u>	<u>25.65</u>	<u>27.07</u>	<u>28.58</u>	<u>30.13</u>
	<u>Annually</u>	<u>47923</u>	<u>50627</u>	<u>53352</u>	<u>56306</u>	<u>59446</u>	<u>62670</u>
13	<u>Hourly</u>	<u>25.40</u>	<u>26.80</u>	<u>28.27</u>	<u>29.78</u>	<u>31.45</u>	<u>33.16</u>
	<u>Annually</u>	<u>52832</u>	<u>55744</u>	<u>58802</u>	<u>61942</u>	<u>65416</u>	<u>68973</u>
14	<u>Hourly</u>	<u>27.93</u>	<u>29.51</u>	<u>31.10</u>	<u>32.80</u>	<u>34.65</u>	<u>36.59</u>
	<u>Annually</u>	<u>58094</u>	<u>61381</u>	<u>64688</u>	<u>68224</u>	<u>72072</u>	<u>76107</u>
15	<u>Hourly</u>	<u>30.68</u>	<u>32.41</u>	<u>34.24</u>	<u>36.12</u>	<u>38.13</u>	<u>40.22</u>
	<u>Annually</u>	<u>63814</u>	<u>67413</u>	<u>71219</u>	<u>75130</u>	<u>79310</u>	<u>83658</u>
16	<u>Hourly</u>	<u>33.83</u>	<u>35.71</u>	<u>37.67</u>	<u>39.79</u>	<u>41.98</u>	<u>44.38</u>
	<u>Annually</u>	<u>70366</u>	<u>74277</u>	<u>78354</u>	<u>82763</u>	<u>87318</u>	<u>92310</u>
17	<u>Hourly</u>	<u>37.28</u>	<u>39.34</u>	<u>41.54</u>	<u>43.83</u>	<u>46.27</u>	<u>48.86</u>
	<u>Annually</u>	<u>77542</u>	<u>81827</u>	<u>86403</u>	<u>91166</u>	<u>96242</u>	<u>101629</u>
18	<u>Hourly</u>	<u>41.08</u>	<u>43.36</u>	<u>45.80</u>	<u>48.31</u>	<u>50.99</u>	<u>53.84</u>
	<u>Annually</u>	<u>85446</u>	<u>90189</u>	<u>95264</u>	<u>100485</u>	<u>106059</u>	<u>111987</u>

Schedule E-2

	<u>Range</u>	<u>Minimum</u>	<u>Maximum</u>
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>37.25</u>
	<u>Annually</u>	<u>33758</u>	<u>77480</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>41.14</u>
	<u>Annually</u>	<u>37211</u>	<u>85571</u>
<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>45.31</u>
	<u>Annually</u>	<u>40976</u>	<u>94245</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>49.50</u>
	<u>Annually</u>	<u>45198</u>	<u>102960</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>54.04</u>
	<u>Annually</u>	<u>49941</u>	<u>112403</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>59.06</u>
	<u>Annually</u>	<u>54974</u>	<u>122845</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>64.45</u>
	<u>Annually</u>	<u>60611</u>	<u>134056</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>70.33</u>
	<u>Annually</u>	<u>66851</u>	<u>146286</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>75.94</u>
	<u>Annually</u>	<u>73715</u>	<u>157955</u>

(E) Beginning on the first day of the pay period that includes July 1, 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	29.68
	Annually	61734
13	Hourly	32.66
	Annually	67933
14	Hourly	36.01
	Annually	74901
15	Hourly	39.61
	Annually	82389
16	Hourly	43.70
	Annually	90896
17	Hourly	48.13
	Annually	100110
18	Hourly	53.02
	Annually	110282

(D)(F) Beginning on the first day of the pay period that includes July 1, 2007, 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 Values

	<u>Range</u>	
<u>12</u>	<u>Hourly</u>	<u>30.72</u>
	<u>Annually</u>	<u>63898</u>
<u>13</u>	<u>Hourly</u>	<u>33.80</u>
	<u>Annually</u>	<u>70304</u>
<u>14</u>	<u>Hourly</u>	<u>37.27</u>
	<u>Annually</u>	<u>77522</u>
<u>15</u>	<u>Hourly</u>	<u>41.00</u>
	<u>Annually</u>	<u>85280</u>
<u>16</u>	<u>Hourly</u>	<u>45.23</u>
	<u>Annually</u>	<u>94078</u>
<u>17</u>	<u>Hourly</u>	<u>49.81</u>
	<u>Annually</u>	<u>103605</u>
<u>18</u>	<u>Hourly</u>	<u>54.88</u>
	<u>Annually</u>	<u>114150</u>

(G) Beginning on the first day of the pay period that includes July 1, 2008, each exempt employee who must be paid in accordance with salary 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 Values

	<u>Range</u>	
<u>12</u>	<u>Hourly</u>	<u>31.80</u>
	<u>Annually</u>	<u>66144</u>
<u>13</u>	<u>Hourly</u>	<u>34.98</u>
	<u>Annually</u>	<u>72758</u>
<u>14</u>	<u>Hourly</u>	<u>38.57</u>
	<u>Annually</u>	<u>80226</u>
<u>15</u>	<u>Hourly</u>	<u>42.44</u>
	<u>Annually</u>	<u>88275</u>
<u>16</u>	<u>Hourly</u>	<u>46.81</u>
	<u>Annually</u>	<u>97365</u>
<u>17</u>	<u>Hourly</u>	<u>51.55</u>
	<u>Annually</u>	<u>107224</u>

18 Hourly 56.80
 Annually 118144

(H) As used in this section, "exempt employee" means a permanent full-time or permanent part-time employee paid directly by warrant of the 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. 125.04. (A) Except as provided in division (D) of this section, the department of administrative services shall determine what supplies and services are purchased by or for state agencies. Whenever the department of administrative services makes any change or addition to the lists of supplies and services that it determines to purchase for state agencies, it shall provide a list to the agencies of the changes or additions and indicate when the department will be prepared to furnish each item listed. Except for the requirements of division (B) of section 125.11 of the Revised Code, sections 125.04 to 125.08 and 125.09 to 125.15 of the Revised Code do not apply to or affect the educational institutions of the state. The department shall not include the bureau of workers' compensation in the lists of supplies, equipment, and services purchased and furnished by the department.

Nothing in this division precludes the bureau from entering into a contract with the department for the department to perform services relative to supplies, equipment, and services contained in this division for the bureau.

(B)(1) As used in this division:

(a) "Emergency medical service organization" has the same meaning as in section 4765.01 of the Revised Code.

(b) "Political subdivision" means any county, township, municipal corporation, school district, conservancy district, township park district, park district created under Chapter 1545. of the Revised Code, regional transit authority, regional airport authority, regional water and sewer district, or port authority. "Political subdivision" also includes any other political subdivision described in the Revised Code that has been approved by the department to participate in the department's contracts under this division.

(c) "Private fire company" has the same meaning as in section 9.60 of the Revised Code.

(2) Subject to division (C) of this section, the department of administrative services may permit a political subdivision, county board of elections, private fire company, or private, nonprofit emergency medical service organization to participate in contracts into which the department has entered for the purchase of supplies and services. The department may charge the entity a reasonable fee to cover the administrative costs the department incurs as a result of participation by the entity in such a purchase contract.

A political subdivision desiring to participate in such purchase contracts shall file with the department a certified copy of an ordinance or resolution of the legislative authority or governing board of the political subdivision. The resolution or ordinance shall request that the political subdivision be authorized to participate in such contracts and shall agree that the political subdivision will be bound by such terms and conditions as the department prescribes and that it will directly pay the vendor under each purchase contract. A board of elections desiring to participate in such purchase contracts shall file with the purchasing authority a written request for inclusion in the program. A private fire company or private, nonprofit emergency medical service organization desiring to participate in such purchase contracts shall file with the department a written request for inclusion in the program signed by the chief officer of the company or organization. The A request for inclusion shall include an agreement to be bound by such terms and conditions as the department prescribes and to make direct payments to the vendor under each purchase contract.

The department shall include in its annual report an estimate of the cost it incurs by permitting political subdivisions, county boards of elections, private fire companies, and private, nonprofit emergency medical service organizations to participate in contracts pursuant to this division. The department may require such entities to file a report with the department, as often as it finds necessary, stating how many such contracts the entities participated in within a specified period of time, and any other information the department requires.

(3) Purchases made by a political subdivision or a county board of elections under this division are exempt from any competitive selection procedures otherwise required by law. No political subdivision shall make any purchase under this division when bids have been received for such purchase by the subdivision, unless such purchase can be made upon the same terms, conditions, and specifications at a lower price under this division.

(C) A political subdivision as defined in division (B) of this section or a

county board of elections may purchase supplies or services from another party, including ~~another~~ a political subdivision, instead of through participation in contracts described in division (B) of this section if the political subdivision or county board of elections can purchase those supplies or services from the other party upon equivalent terms, conditions, and specifications but at a lower price than it can through those contracts. Purchases that a political subdivision or county board of elections makes under this division are exempt from any competitive selection procedures otherwise required by law. A political subdivision or county board of elections that makes any purchase under this division shall maintain sufficient information regarding the purchase to verify that the political subdivision or county board of elections satisfied the conditions for making a purchase under this division. Nothing in this division restricts any action taken by a county or township as authorized by division (A)(1) of section 9.48 of the Revised Code.

(D) This section does not apply to supplies or services required by the legislative or judicial branches, ~~boards of elections~~, the capitol square review and advisory board, the adjutant general, to supplies or services purchased by a state agency directly as provided in division (A) or (E) of section 125.05 of the Revised Code, to purchases of supplies or services for the emergency management agency as provided in section 125.023 of the Revised Code, or to purchases of supplies or services for the department of rehabilitation and correction in its operation of the program for the employment of prisoners established under section 5145.16 of the Revised Code that shall be made pursuant to rules adopted by the director of administrative services and the director of rehabilitation and correction in accordance with Chapter 119. of the Revised Code. The rules may provide for the exemption of the program for the employment of prisoners from the requirements of division (A) of this section.

Sec. 125.45. The department of administrative services shall maintain facilities to perform office reproduction services for all boards, commissions, or departments except for the bureau of workers' compensation. Upon written application to the department of administrative services, permission may be granted to a board, commission, or department to perform such services outside the central facility and such permission shall state the extent of the services which the department, board, or commission shall perform.

Office reproduction services using stencils, masters, or plates are restricted to duplicating equipment not larger than seventeen by twenty-two inches. Not to exceed five thousand press impressions shall be produced of

any such order except that up to one thousand production copies may be produced of any item consisting of multiple pages and except that over five thousand, but not more than ten thousand, press impressions may be produced if the director of administrative services determines that there is an emergency due to the timing of service delivery or another factor that may cause financial hardship to the state.

Nothing in this section precludes the bureau from entering into a contract with the department of administrative services for the department to perform office reproduction services for the bureau.

~~Neither the department nor any other~~ No state agency, ~~other than the department of administrative services,~~ shall perform printing or office reproduction services for political subdivisions.

Sec. 125.93. The state forms management program shall do each of the following:

(A) Assist state agencies in establishing internal forms management capabilities;

~~(B) Study, develop, coordinate, and initiate forms of interagency and common administrative usage, and establish basic design and specification criteria to standardize state forms;~~

~~(C)~~ Assist state agencies to design economical forms;

~~(D)~~(C) Assist, train, and instruct state agencies and their forms management representatives in forms management techniques, and provide direct forms management assistance to new state agencies as they are created;

~~(E) Maintain a central forms repository of all state forms to facilitate standardization of the forms, eliminate redundant forms, and provide a central source of information on forms usage and availability.~~

Sec. 125.96. The director of administrative services may adopt, amend, or rescind rules necessary to carry out the powers and duties imposed upon the state forms management program and state agencies by sections 125.92 to 125.98 of the Revised Code. ~~The director shall adopt, and may amend or rescind, rules providing each of the following:~~

~~(A) After a date to be determined by the state forms management program, no state agency shall utilize any form, other than a form subject to division (B) of section 125.95 of the Revised Code, the management of which has not been delegated to the agency by the program under division (A) of that section or been approved by the program.~~

~~(B) The notice required by section 125.97 of the Revised Code shall appear in a standard place and a standard manner on each form to which the notice applies, and shall include specified indicia of approval by the state~~

~~forms management program.~~

~~(C) Any form required by a state agency on an emergency basis may be given interim approval by the state forms management program if the form is accompanied by a letter from the director or other head of the agency setting forth the nature of the emergency and requesting interim approval.~~

~~Sec. 125.97. All forms, other than those forms subject to division (B) of section 125.95 of the Revised Code, used to obtain information from private business, agriculture, or local governments, except those forms used by the tax commissioner for administration of taxes and programs, shall contain a conspicuous notice on the first page setting forth the authorization for the form and stating whether providing the information sought is required or voluntary, and any penalties that apply to failure to provide the information.~~

Sec. 125.98. (A) Each state agency shall appoint a forms management representative, who may be from existing personnel. The appointee shall cooperate with, and provide other necessary assistance to, the director of administrative services and the state forms management program in implementing the program. A forms management representative shall do all of the following:

(1) Manage the agency's forms management program and cooperate with and provide other necessary assistance to the director of administrative services in implementing the state forms management program;

(2) Monitor the use and reproduction of all forms to ensure that all policies, procedures, guidelines, and standards established by the agency and the director of administrative services are followed;

~~(3) Ensure that every form used by the agency is presented to the state forms management program for registration prior to its reproduction;~~

~~(4) Maintain a master forms file history file, in numeric order, of all agency forms;~~

~~(5) Verify and update the all historical information on all forms in the agency's central forms repository database.~~

(B) Any state agency, as defined in section 1.60 of the Revised Code, not included within the definition of a state agency in section 125.91 of the Revised Code may elect to participate in the state forms management program. The program may provide to any such agency any service required or authorized by sections 125.92 to 125.98 of the Revised Code to be performed for a state agency.

Sec. 126.04. Funds appropriated for purposes of fulfilling the state's obligations under the consent order filed March 5, 2007, in *Martin v. Strickland*, Case No. 89-CV-00362, in the United States district court for the southern district of Ohio, eastern division, shall be in an appropriation item

that authorizes expenditures only for purposes of fulfilling the state's obligations under the consent order.

Sec. 126.07. ~~No~~ Except as provided in division (B) of section 126.21 of the Revised Code, 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.

The chief administrative officer of a state agency is responsible for the preaudit and approval of expenditures and other transactions of the agency. In order to ~~make~~ initiate the making of a payment from the state treasury, the person in a state agency who requests that the payment be made shall first submit to the ~~director~~ chief administrative officer of the agency all invoices, claims, vouchers, and other evidentiary ~~matter~~ documentation related to the payment. If the director approves payment to be made, the director shall draw a warrant as provided in section 126.35 of the Revised Code. The chief administrative officer shall examine each voucher and all other documentation required to support the voucher and determine whether they meet all the requirements established by the director of budget and management for making the payment. If they do meet those requirements, the chief administrative officer shall certify to the director the approval of the chief administrative officer for payment.

Prior to drawing a warrant as provided in section 126.35 of the Revised Code, the director may review and audit the voucher, any documentation accompanying the voucher, and any other documentation related to the transaction that the director may require to determine if the transaction is in accordance with law. 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~~ documentation 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.

As used in this section and in section 126.21 of the Revised Code, "chief administrative officer" means either of the following:

(A) The director of the agency or, in the case of a state agency without a director, the equivalent officer of that agency;

(B) The designee of the chief administrative officer for the purposes of such sections.

Sec. 126.08. The director of budget and management may exercise control over the financial transactions of state agencies, including approving, disapproving, voiding, or invalidating encumbrances or transactions, except those in the judicial and legislative branches, by:

(A) Requiring encumbrancing documents or any other financial information to be submitted to the director, ~~where such submission is prescribed by law or where the director considers such submission necessary~~ to evaluate the legality of a proposed an expenditure, ~~and by approving or disapproving any encumbrance requested,~~ except that the director shall not disapprove any encumbrancing document submitted by the attorney general, auditor of state, secretary of state, or treasurer of state unless there is an insufficient unobligated balance in the appropriation or the encumbrance does not meet all other legal requirements. Those portions of an appropriation that are encumbered are not available for expenditure for any purpose other than that indicated on the encumbrancing document. If any requirements of the director regarding the submission of encumbrancing documents or other financial information are not complied with, or if any encumbrancing document is disapproved in whole or in part, the director shall notify the submitting agency thereof and shall not authorize payment unless the reasons for disapproval are corrected.

(B) Requiring the allocation and allotment of any appropriation by quarter or by any other period of time.

(C) Reporting to the attorney general for such action, civil or criminal, as the attorney general considers necessary, all facts showing improper payment of public money or misappropriation of public property;

(D) By adopting rules for carrying into effect any powers granted by this chapter.

Sec. 126.16. (A) This section is in implementation of division (D) of Section 17 of Article VIII, Ohio Constitution, for purposes of issuing direct

obligations of the state subject to that section.

(B) For purposes of the computation of debt service under Section 17 of Article VIII, Ohio Constitution, there shall be included debt service payable on bonds that are direct obligations of the state issued under Article VIII, Ohio Constitution, and on those bonds anticipated by bond anticipation notes, to the extent that debt service on those bonds is anticipated to be paid from the state general revenue fund or net state lottery proceeds. Examples of bonds the debt service on which is not anticipated to be paid from either of those sources are bonds of the state issued for highway purposes pursuant to Section 2i or 2m of Article VIII, Ohio Constitution, which, although general obligations of the state, have been and are anticipated to be paid from highway user receipts and not from the general revenue fund or net state lottery proceeds.

(C) If there is no separate constitutional or statutory provision applicable for the purpose, debt service on bonds anticipated by bond anticipation notes shall be estimated as provided in division (C) of this section. That amount, to be certified either by the issuing authority of the particular notes or by the governor or the governor's designee pursuant to division (E) of this section, shall be the estimated amount that would have been payable on bonds maturing serially in each fiscal year after the fiscal year of the issuance of the notes over the maximum period of maturity for the bonds authorized in the particular governing constitutional or statutory provision, as if those bonds had been issued without the prior issuance of the notes, and computed on a substantially level debt service basis applying an interest rate or rates certified to be market rates at the time of issuance of the notes.

(D) In the case of bonds issued to refund or retire bonds, the debt service on the new bonds shall be counted and the debt service on the bonds being refunded or retired shall not be counted.

(E) The governor, or the governor's designee for the purpose, shall determine and certify the fiscal year amounts required to be applied or set aside for payment of debt service, including debt service on any variable rate bonds, the securities to which that debt service relates, the total office of budget and management estimated revenues of the state for the general revenue fund and from net state lottery proceeds during the particular fiscal year, and any other financial data necessary or appropriate for the purpose of the computations under division (A) of Section 17 of Article VIII, Ohio Constitution, and this section. Those determinations and certifications shall be filed with the director of budget and management, the treasurer of state, and the issuing authority for the particular obligations, at or prior to the time

those securities are issued. The governor's designee for the purpose may be the director or assistant director of budget and management, or any employee or official of the governor's office.

(F) For purposes of this section, "securities," "interest or interest equivalent," and "outstanding" have the same meanings as in section 133.01 of the Revised Code, and "debt service" means principal, including any mandatory sinking fund deposits and mandatory redemption payments, and interest or interest equivalent payable on securities, as those payments are stated to come due and to be payable.

(G)(1) As used in this division, "avoided obligations" means direct obligations of the state that are not issued because the capital facilities they would have financed are instead paid for with the proceeds of obligations issued under division (C) of section 183.51 of the Revised Code.

(2) For purposes of computing the limitation on issuing direct obligations of the state under this section and Section 17 of Article VIII, Ohio Constitution, any avoided obligations shall be considered as having been issued. The fiscal year amounts that would have been required to be applied or set aside for payment of debt service over the maximum period of maturity of the avoided obligations had the avoided obligations been issued shall be included in the computations.

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 and reviewing 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 or after 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~~ chancellor 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 chief administrative officer of a state agency that uses a payment card for such purposes shall ensure that purchases made with the card are made in accordance with the guidelines issued by the director and do not exceed the unexpended, unencumbered, unobligated balance in the appropriation to be charged for the purchase. State agencies may ~~only~~ participate in only those 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 accounting services for and design and implement accounting systems with state agencies;

(B) Provide other accounting services, including the maintenance and periodic auditing of the financial records of and submission of vouchers by state agencies, provision of assistance in the analysis of the financial position of state agencies, and preparation and submission of reports;

(C) Change any accounting code appearing in appropriations acts of the general assembly.

Sec. 126.24. The OAKS support organization fund is hereby created in the state treasury for the purpose of paying the operating expenses of the state's enterprise resource planning system. The fund shall consist of cash transfers from the accounting and budgeting fund and the human resources services fund, and other revenues designated to support the operating costs of the Ohio administrative knowledge system. All investment earnings of the fund shall be credited to the fund.

Sec. 126.40. There is hereby created in the state treasury the forgery recovery fund. The fund shall consist of all moneys collected by the attorney general from the resolution of cases of fraud or forgery involving warrants issued by the director of the office of budget and management. The director shall use the fund to pay costs associated with the reissue of state warrants to payees whose warrants were fraudulently redeemed.

Sec. 127.16. (A) Upon the request of either a state agency or the director of budget and management and after the controlling board determines that an emergency or a sufficient economic reason exists, the controlling board may approve the making of a purchase without competitive selection as provided in division (B) of this section.

(B) Except as otherwise provided in this section, no state agency, using money that has been appropriated to it directly, shall:

(1) Make any purchase from a particular supplier, that would amount to fifty thousand dollars or more when combined with both the amount of all disbursements to the supplier during the fiscal year for purchases made by the agency and the amount of all outstanding encumbrances for purchases made by the agency from the supplier, unless the purchase is made by competitive selection or with the approval of the controlling board;

(2) Lease real estate from a particular supplier, if the lease would amount to seventy-five thousand dollars or more when combined with both the amount of all disbursements to the supplier during the fiscal year for real estate leases made by the agency and the amount of all outstanding encumbrances for real estate leases made by the agency from the supplier,

unless the lease is made by competitive selection or with the approval of the controlling board.

(C) Any person who authorizes a purchase in violation of division (B) of this section shall be liable to the state for any state funds spent on the purchase, and the attorney general shall collect the amount from the person.

(D) Nothing in division (B) of this section shall be construed as:

(1) A limitation upon the authority of the director of transportation as granted in sections 5501.17, 5517.02, and 5525.14 of the Revised Code;

(2) Applying to medicaid provider agreements under Chapter 5111. of the Revised Code or payments or provider agreements under the disability medical assistance program established under Chapter 5115. of the Revised Code;

(3) Applying to the purchase of examinations from a sole supplier by a state licensing board under Title XLVII of the Revised Code;

(4) Applying to entertainment contracts for the Ohio state fair entered into by the Ohio expositions commission, provided that the controlling board has given its approval to the commission to enter into such contracts and has approved a total budget amount for such contracts as agreed upon by commission action, and that the commission causes to be kept itemized records of the amounts of money spent under each contract and annually files those records with the clerk of the house of representatives and the clerk of the senate following the close of the fair;

(5) Limiting the authority of the chief of the division of mineral resources management to contract for reclamation work with an operator mining adjacent land as provided in section 1513.27 of the Revised Code;

(6) Applying to investment transactions and procedures of any state agency, except that the agency shall file with the board the name of any person with whom the agency contracts to make, broker, service, or otherwise manage its investments, as well as the commission, rate, or schedule of charges of such person with respect to any investment transactions to be undertaken on behalf of the agency. The filing shall be in a form and at such times as the board considers appropriate.

(7) Applying to purchases made with money for the per cent for arts program established by section 3379.10 of the Revised Code;

(8) Applying to purchases made by the rehabilitation services commission of services, or supplies, that are provided to persons with disabilities, or to purchases made by the commission in connection with the eligibility determinations it makes for applicants of programs administered by the social security administration;

(9) Applying to payments by the department of job and family services

under section 5111.13 of the Revised Code for group health plan premiums, deductibles, coinsurance, and other cost-sharing expenses;

(10) Applying to any agency of the legislative branch of the state government;

(11) Applying to agreements or contracts entered into under section 5101.11, 5101.20, 5101.201, 5101.21, or 5101.214 of the Revised Code;

(12) Applying to purchases of services by the adult parole authority under section 2967.14 of the Revised Code or by the department of youth services under section 5139.08 of the Revised Code;

(13) Applying to dues or fees paid for membership in an organization or association;

(14) Applying to purchases of utility services pursuant to section 9.30 of the Revised Code;

(15) Applying to purchases made in accordance with rules adopted by the department of administrative services of motor vehicle, aviation, or watercraft fuel, or emergency repairs of such vehicles;

(16) Applying to purchases of tickets for passenger air transportation;

(17) Applying to purchases necessary to provide public notifications required by law or to provide notifications of job openings;

(18) Applying to the judicial branch of state government;

(19) Applying to purchases of liquor for resale by the division of liquor control;

(20) Applying to purchases of motor courier and freight services made in accordance with department of administrative services rules;

(21) Applying to purchases from the United States postal service and purchases of stamps and postal meter replenishment from vendors at rates established by the United States postal service;

(22) Applying to purchases of books, periodicals, pamphlets, newspapers, maintenance subscriptions, and other published materials;

(23) Applying to purchases from other state agencies, including state-assisted institutions of higher education;

(24) Limiting the authority of the director of environmental protection to enter into contracts under division (D) of section 3745.14 of the Revised Code to conduct compliance reviews, as defined in division (A) of that section;

(25) Applying to purchases from a qualified nonprofit agency pursuant to sections 125.60 to 125.6012 or 4115.31 to 4115.35 of the Revised Code;

(26) Applying to payments by the department of job and family services to the United States department of health and human services for printing and mailing notices pertaining to the tax refund offset program of the

internal revenue service of the United States department of the treasury;

(27) Applying to contracts entered into by the department of mental retardation and developmental disabilities under ~~sections~~ section 5123.18; ~~5123.182, and 5123.199~~ of the Revised Code;

(28) Applying to payments made by the department of mental health under a physician recruitment program authorized by section 5119.101 of the Revised Code;

(29) Applying to contracts entered into with persons by the director of commerce for unclaimed funds collection and remittance efforts as provided in division (F) of section 169.03 of the Revised Code. The director shall keep an itemized accounting of unclaimed funds collected by those persons and amounts paid to them for their services.

(30) Applying to purchases made by a state institution of higher education in accordance with the terms of a contract between the vendor and an inter-university purchasing group comprised of purchasing officers of state institutions of higher education;

(31) Applying to the department of job and family services' purchases of health assistance services under the children's health insurance program part I provided for under section 5101.50 of the Revised Code, ~~or the children's health insurance program part II provided for under section 5101.51 of the Revised Code,~~ or the children's health insurance program part III provided for under section 5101.52 of the Revised Code;

(32) Applying to payments by the attorney general from the reparations fund to hospitals and other emergency medical facilities for performing medical examinations to collect physical evidence pursuant to section 2907.28 of the Revised Code;

(33) Applying to contracts with a contracting authority or administrative receiver under division (B) of section 5126.056 of the Revised Code;

(34) Applying to reimbursements paid to the United States department of veterans affairs for pharmaceutical and patient supply purchases made on behalf of the Ohio veterans' home agency;

(35) Applying to agreements entered into with terminal distributors of dangerous drugs under section 173.79 of the Revised Code;

(36) Applying to payments by the superintendent of the bureau of criminal identification and investigation to the federal bureau of investigation for criminal records checks pursuant to section 109.572 of the Revised Code.

(E) Notwithstanding division (B)(1) of this section, the cumulative purchase threshold shall be seventy-five thousand dollars for the departments of mental retardation and developmental disabilities, mental

health, rehabilitation and correction, and youth services.

(F) When determining whether a state agency has reached the cumulative purchase thresholds established in divisions (B)(1), (B)(2), and (E) of this section, all of the following purchases by such agency shall not be considered:

(1) Purchases made through competitive selection or with controlling board approval;

(2) Purchases listed in division (D) of this section;

(3) For the purposes of the thresholds of divisions (B)(1) and (E) of this section only, leases of real estate.

(G) As used in this section, "competitive selection," "purchase," "supplies," and "services" have the same meanings as in section 125.01 of the Revised Code.

Sec. 131.44. (A) As used in this section:

(1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.

(2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.

(3) "Required year-end balance" means the sum of the following:

(a) Five per cent of the general revenue fund revenues for the preceding fiscal year;

(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;

(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;

(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;

(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.

(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the

following:

(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriation from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.

(5) "Estimated general revenue fund revenue" means the most recent such estimate available to the director of budget and management.

(B)(1) Not later than the thirty-first day of July each year, the director of budget and management shall determine the surplus revenue that existed on the preceding thirtieth day of June and transfer from the general revenue fund, to the extent of the unobligated, unencumbered balance on the preceding thirtieth day of June in excess of one-half of one per cent of the general revenue fund revenues in the preceding fiscal year, the following:

(a) First, to the budget stabilization fund, any amount necessary for the balance of the budget stabilization fund to equal five per cent of the general revenue fund revenues of the preceding fiscal year;

(b) Then, to the income tax reduction fund, which is hereby created in the state treasury, an amount equal to the surplus revenue.

(2) Not later than the thirty-first day of July each year, the director shall determine the percentage that the balance in the income tax reduction fund is of the amount of revenue that the director estimates will be received from the tax levied under section 5747.02 of the Revised Code in the current fiscal year without regard to any reduction under division (B) of that section. If that percentage exceeds thirty-five one hundredths of one per cent, the director shall certify the percentage to the tax commissioner not later than the thirty-first day of July.

(C) The director of budget and management shall transfer money in the income tax reduction fund to the general revenue fund, the local government fund, and the library and local government support fund, ~~and the local government revenue assistance fund~~ as necessary to offset revenue reductions resulting from the reductions in taxes required under division (B) of section 5747.02 of the Revised Code in the respective amounts and percentages prescribed by ~~divisions~~ division (A)(1), (2), ~~and (4)~~ of section 5747.03 and divisions (A) and (B) of section 131.51 of the Revised Code as if the amount transferred had been collected as taxes under Chapter 5747. of the Revised Code. If no reductions in taxes are made under that division that affect revenue received in the current fiscal year, the director shall not transfer money from the income tax reduction fund to the general revenue fund, the local government fund, and the library and local government

support fund, and the local government revenue assistance fund.

Sec. 131.51. (A) Beginning January 2008, on or before the fifth day of each month, the director of budget and management shall credit to the local government fund three and sixty-eight one hundredths per cent of total tax revenue credited to the general revenue fund during the preceding month. In determining the total tax revenue credited to the general revenue fund during the preceding month, the director shall include amounts transferred from that fund during the preceding month pursuant to divisions (A) and (B) of this section. Money shall be distributed from the local government fund as required under section 5747.50 of the Revised Code during the same month in which it is credited to the fund.

(B) Beginning January 2008, on or before the fifth day of each month, the director of budget and management shall credit to the library and local government support fund, two and twenty-two one hundredths per cent of the total tax revenue credited to the general revenue fund during the preceding month. In determining the total tax revenue credited to the general revenue fund during the preceding month, the director shall include amounts transferred from that fund during the preceding month pursuant to divisions (A) and (B) of this section. Money shall be distributed from the library and local government support fund as required under section 5747.47 of the Revised Code during the same month in which it is credited to the fund.

(C) The director of budget and management shall develop a schedule identifying the specific tax revenue sources to be used to make the monthly transfers required under divisions (A) and (B) of this section. The director may, from time to time, revise the schedule as the director considers necessary.

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~~ tax reductions under 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. 133.061. (A) This section applies only to a school district that

satisfies all of the following conditions:

(1) The district, prior to the effective date of this section, undertook a classroom facilities project under section 3318.37 of the Revised Code.

(2) The district will undertake a subsequent classroom facilities project under section 3318.37 of the Revised Code that will consist of a single building housing grades six through twelve.

(3) The district's project described in division (A)(2) of this section will include locally funded initiatives that are not required by the Ohio school facilities commission.

(4) The district's project described in division (A)(2) of this section will commence within two years after the effective date of this section.

(B) Notwithstanding any other provision of law to the contrary, a school district to which this section applies 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 section 133.06 of the Revised Code when necessary to raise the school district portion of the basic project cost and any additional funds necessary to participate in the classroom facilities project described in division (A)(2) of this section, including the cost of items designated by the Ohio school facilities commission as required locally funded initiatives, the cost for site acquisition, and the cost of the locally funded initiatives that are not required by the commission described in division (A)(3) of this section, as long as the district's total net indebtedness after the issuance of those securities does not exceed one hundred twenty-five per cent of the limit prescribed in division (B) of section 133.06 of the Revised Code and the electors of the district approve the issuance of those securities.

The school facilities commission shall notify the superintendent of public instruction whenever a school district will exceed either limit pursuant to this section.

Sec. 133.081. (A) As used in this section:

(1) "Anticipation notes" means notes issued in anticipation of the sales tax supported bonds authorized by this section;

(2) "Authorizing proceedings" means the resolution, legislation, trust agreement, certification, and other agreements, instruments, and documents, as amended and supplemented, authorizing, or providing for the security or sale or award of, sales tax supported bonds, and includes the provisions set forth or incorporated in those bonds and proceedings;

(3) "County sales tax" means any sales tax levied by the taxing authority of a county pursuant to section 5739.021 or 5739.026 of the Revised Code, and any tax levied by that taxing authority upon storage, use, or

consumption under section 5741.021 or 5741.023 of the Revised Code. However, "county sales tax" does not include a sales tax subject to referendum or a sales tax that was adopted as an emergency measure and is subject to initiative petition under section 5739.022 of the Revised Code.

(4) "Sales tax supported bonds" means the sales tax supported bonds authorized by this section, including anticipation notes;

(5) "Refunding bonds" means sales tax supported bonds issued to provide for the refunding of the sales tax supported bonds referred to in this section as refunded obligations.

(B) The taxing authority of a county which has levied a county sales tax for the purpose of providing additional general revenues of the county pursuant to Chapter 5739. of the Revised Code may anticipate the receipts of such tax and issue sales tax supported bonds of the county in the principal amount necessary to pay the costs of financing any permanent improvement as defined in division (CC) of section 133.01 of the Revised Code, or to refund any refunded obligations, provided that the taxing authority certifies that the annual debt charges on the sales tax supported bonds, or on the sales tax supported bonds being anticipated by anticipation notes, do not exceed the estimated annual county sales tax receipts. The maximum aggregate amount of sales tax supported bonds that may be outstanding at any time in accordance with their terms shall not exceed an amount which requires or is estimated to require payments from sales tax receipts of debt charges on the sales tax supported bonds, or, in the case of anticipation notes, projected debt charges on the sales tax supported bonds anticipated, in any calendar year in an amount exceeding the county sales tax in anticipation of which the bonds or anticipation notes are issued as estimated by the fiscal officer based on general sales tax receipts averaged for the prior two calendar years prior to the year in which the sales tax supported bonds are issued, and annualized for any increase in the county sales tax which may have been levied in part during such period or levied after such period. A taxing authority may at any time issue renewal anticipation notes, issue sales tax supported bonds to pay renewal anticipation notes, and, if it considers refunding expedient, issue refunding sales tax supported bonds whether the refunded obligations have or have not matured. The refunding sales tax supported bonds shall be sold and the proceeds needed for such purpose applied in the manner provided in the authorizing proceedings of the taxing authority. The maximum maturity of sales tax supported bonds shall be calculated by the fiscal officer in accordance with section 133.20 of the Revised Code, and such calculation shall be filed with the taxing authority of the county prior to passage of a bond authorizing resolution. If the county

sales tax pledged to the payment of the sales tax supported bonds has a stated expiration date, the final principal maturity date of the sales tax supported bonds shall not extend beyond the final year of collection of the county sales tax pledged to the payment of the sales tax supported bonds.

(C) Every issue of sales tax supported bonds outstanding in accordance with their terms shall be payable out of the sales tax receipts received by the county or proceeds of sales tax supported bonds, renewal anticipation notes, or refunding sales tax supported bonds which may be pledged for such payment in the authorizing proceedings. The pledge shall be valid and binding from the time the pledge is made, and the county sales tax receipts and proceeds so pledged and thereafter received by the county shall immediately be subject to the lien of that pledge without any physical delivery of the county sales tax receipts or proceeds or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the county, whether or not such parties have notice of the lien. Neither the resolution nor any trust agreement by which a pledge is created or further evidenced need be filed or recorded except in the records of the taxing authority.

(D) Sales tax supported bonds issued under this section do not constitute a general obligation debt, or a pledge of the full faith and credit, of the state, the county, or any other political subdivision of the state, and the holders or owners of the ~~notes bonds~~ have no right to have taxes levied by the general assembly or property taxes levied by the taxing authority of any political subdivision of the state, including the taxing authority of the county, for the payment of debt charges. Unless paid from other sources, sales tax supported bonds are payable from the sales tax receipts pledged for their payment as authorized by this section. All sales tax supported bonds shall contain on their face a statement to the effect that the sales tax supported bonds, as to debt charges, are not debts or obligations of the state and are not general obligation debts of any political subdivision of the state, but, unless paid from other sources, are payable from the sales tax receipts pledged for their payment. The utilization and pledge of the sales tax receipts and proceeds of sales tax supported bonds, renewal anticipation notes, or refunding sales tax supported bonds for the payment of debt charges is determined by the general assembly to create a special obligation ~~which is not a bonded indebtedness subject to Section 11 of Article XII, Ohio Constitution.~~

(E) The sales tax supported bonds shall bear such date or dates, shall be executed in the manner, and shall mature at such time or times, in the case of any anticipation notes not exceeding ten years from the date of issue of

the original anticipation notes and in the case of any sales tax supported bonds or of any refunding sales tax supported bonds, not exceeding the maximum maturity certified to the taxing authority pursuant to division (B) of this section, all as the authorizing proceedings may provide. The sales tax supported bonds shall bear interest at such rates, or at variable rate or rates changing from time to time, in accordance with provisions in the authorizing proceedings, be in such denominations and form, either coupon or registered, carry such registration privileges, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption, as the taxing authority may authorize or provide. The sales tax supported bonds may be sold at public or private sale, and at, or at not less than, the price or prices as the taxing authority determines. If any officer whose signature or a facsimile of whose signature appears on any sales tax supported bonds or coupons ceases to be such officer before delivery of the sales tax supported bonds or anticipation notes, the signature or facsimile shall nevertheless be sufficient for all purposes as if that officer had remained in office until delivery of the sales tax supported bonds. Whether or not the sales tax supported bonds are of such form and character as to be negotiable instruments under Title XIII of the Revised Code, the sales tax supported bonds shall have all the qualities and incidents of negotiable instruments, subject only to any provisions for registration. Neither the members of the board of the taxing authority nor any person executing the sales tax supported bonds shall be liable personally on the sales tax supported bonds or be subject to any personal liability or accountability by reason of their issuance.

(F) Notwithstanding any other provision of this section, sections 9.98 to 9.983, 133.02, 133.70, and 5709.76, and division (A) of section 133.03 of the Revised Code apply to the sales tax supported bonds. Sales tax supported bonds issued under this section need not comply with any other law applicable to notes or bonds but the authorizing proceedings may provide that divisions (B) to (E) of section 133.25 of the Revised Code apply to the sales tax supported bonds or anticipation notes.

(G) Any authorized proceedings may contain provisions, subject to any agreements with holders as may then exist, which shall be a part of the contract with the holders, as to the pledging of any or all of the county's anticipated sales tax receipts to secure the payment of the sales tax supported bonds; the use and disposition of the sales tax receipts of the county; the crediting of the proceeds of the sale of sales tax supported bonds to and among the funds referred to or provided for in the authorizing proceedings; limitations on the purpose to which the proceeds of the sales

tax supported bonds may be applied and the pledging of portions of such proceeds to secure the payment of the sales tax supported bonds or of anticipation notes; the agreement of the county to do all things necessary for the authorization, issuance, and sale of those notes anticipated in such amounts as may be necessary for the timely payment of debt charges on any anticipation notes; limitations on the issuance of additional sales tax supported bonds; the terms upon which additional sales tax supported bonds may be issued and secured; the refunding of refunded obligations; the procedure by which the terms of any contract with holders may be amended, and the manner in which any required consent to amend may be given; securing any sales tax supported bonds by a trust agreement or other agreement; and any other matters, of like or different character, that in any way affect the security or protection of the sales tax supported bonds or anticipation notes.

(H) The taxing authority of a county may not repeal, rescind, or reduce any portion of a county sales tax pledged to the payment of debt charges on sales tax supported bonds issued by the county while such sales tax supported bonds remain outstanding, and no portion of a county sales tax pledged to the payment of debt charges on sales tax supported bonds shall be subject to repeal or reduction by the electorate of the county or by the taxing authority of the county while such sales tax supported bonds are outstanding.

Sec. 149.311. (A) As used in this section:

(1) "Historic building" means a building, including its structural components, that is located in this state and that is either individually listed on the national register of historic places under 16 U.S.C. 470a, located in a registered historic district, and certified by the state historic preservation officer as being of historic significance to the district, or is individually listed as a historic landmark designated by a local government certified under 16 U.S.C. 470a(c).

(2) "Qualified rehabilitation expenditures" means expenditures paid or incurred during the rehabilitation period, and before and after that period as determined under 26 U.S.C. 47, by an owner of a historic building to rehabilitate the building. "Qualified rehabilitation expenditures" includes architectural or engineering fees paid or incurred in connection with the rehabilitation, and expenses incurred in the preparation of nomination forms for listing on the national register of historic places. "Qualified rehabilitation expenditures" does not include any of the following:

- (a) The cost of acquiring, expanding, or enlarging a historic building;
- (b) Expenditures attributable to work done to facilities related to the

building, such as parking lots, sidewalks, and landscaping;

(c) New building construction costs.

(3) "Owner" of a historic building means a person holding the fee simple interest in the building.

(4) "Certificate owner" means the owner of a historic building to which a rehabilitation tax credit certificate was issued under this section.

(5) "Registered historic district" means a historic district listed in the national register of historic places under 16 U.S.C. 470a, a historic district designated by a local government certified under 16 U.S.C. 470a(c), or a local historic district certified under 36 C.F.R. 67.8 and 67.9.

(6) "Rehabilitation" means the process of repairing or altering a historic building or buildings, making possible an efficient use while preserving those portions and features of the building and its site and environment that are significant to its historic, architectural, and cultural values.

(7) "Rehabilitation period" means one of the following:

(a) If the rehabilitation initially was not planned to be completed in stages, a period chosen by the owner not to exceed twenty-four months during which rehabilitation occurs;

(b) If the rehabilitation initially was planned to be completed in stages, a period chosen by the owner not to exceed sixty months during which rehabilitation occurs.

(8) "State historic preservation officer" or "officer" means the state historic preservation officer appointed by the governor under 16 U.S.C. 470a.

(9) "Application period" means either of the following time periods during which an application for a rehabilitation tax credit certificate may be filed under this section:

(a) July 1, 2007, through June 30, 2008;

(b) July 1, 2008, through June 30, 2009.

(B) On or after July 1, 2007, but before July 1, 2009, the owner of a historic building may apply to the state historic preservation officer for a rehabilitation tax credit certificate for qualified rehabilitation expenditures paid or incurred after ~~the effective date of this section~~ April 4, 2007, for rehabilitation of a historic building. The form and manner of filing such applications shall be prescribed by rule of the director of development, and applications expire at the end of each application period. Before July 1, 2007, the director, after consultation with the tax commissioner and in accordance with Chapter 119. of the Revised Code, shall adopt rules that establish all of the following:

(1) Forms and procedures by which applicants may apply for

rehabilitation tax credit certificates;

(2) Criteria for reviewing, evaluating, and approving applications for certificates within the limitation on the number of applications that may be approved in an application period under division (D) of this section, criteria for assuring that the certificates issued encompass a mixture of high and low qualified rehabilitation expenditures, and criteria for issuing certificates under division (C)(3)(b) of this section;

(3) Eligibility requirements for obtaining a certificate under this section;

(4) The form of rehabilitation tax credit certificates;

(5) Reporting requirements and monitoring procedures;

(6) Any other rules necessary to implement and administer this section.

(C) The state historic preservation officer shall accept applications in the order in which they are filed. Within seven days after an application is filed, the officer shall forward it to the director of development who shall review the application and determine whether all of the following criteria are met:

(1) That the building that is the subject of the application is a historic building and the applicant is the owner of the building;

(2) That the rehabilitation will satisfy standards prescribed by the United States secretary of the interior under 16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a successor to that section;

(3) That receiving a rehabilitation tax credit certificate under this section is a major factor in:

(a) The applicant's decision to rehabilitate the historic building; or

(b) To increase the level of investment in such rehabilitation.

An applicant shall demonstrate to the satisfaction of the state historic preservation officer and director of development that the rehabilitation will satisfy the standards described in division (C)(2) of this section before the applicant begins the physical rehabilitation of the historic building.

(D) If the director of development determines that the criteria in divisions (C)(1), (2), and (3) of this section are met, the director, in conjunction with the tax commissioner, shall conduct a cost and benefit analysis for the historic building that is the subject of an application filed under this section to determine whether rehabilitation of the historic building, including activities during the construction phase of the rehabilitation, will result in a net revenue gain in state and local taxes ~~once the building is used~~. The director shall not approve an application and issue a rehabilitation tax credit certificate to an applicant unless the cost and benefit analysis of the historic building determines that there will be a net revenue gain in state and local taxes once the building is used. A

rehabilitation tax credit certificate shall not be issued before rehabilitation of a historic building is completed. The director shall not approve more than one hundred applications in an application period.

(E) Issuance of a certificate represents a finding by the director of development of the matters described in divisions (C)(1), (2), and (3) of this section only; issuance of a certificate does not represent a verification or certification by the director of the amount of qualified rehabilitation expenditures for which a tax credit may be claimed under section 5725.151, 5733.47, or 5747.76 of the Revised Code. The amount of qualified rehabilitation expenditures for which a tax credit may be claimed is subject to inspection and examination by the tax commissioner or employees of the commissioner under section 5703.19 of the Revised Code and any other applicable law. Upon the issuance of a certificate, the director shall certify to the tax commissioner, in the form and manner requested by the tax commissioner, the name of the applicant, the amount of qualified rehabilitation expenditures shown on the certificate, and any other information required by the rules adopted under this section.

(F)(1) On or before the first day of December in 2007, 2008, and 2009, the director of development and tax commissioner jointly shall submit to the president of the senate and the speaker of the house of representatives a report on the tax credit program established under this section and sections 5725.151, 5733.47, and 5747.76 of the Revised Code. The report shall present an overview of the program and shall include information on the number of rehabilitation tax credit certificates issued under this section during an application period, an update on the status of each historic building for which an application was approved under this section, the dollar amount of the tax credits granted under sections 5725.151, 5733.47, and 5747.76 of the Revised Code, and any other information the director and commissioner consider relevant to the topics addressed in the report.

(2) On or before December 1, 2010, the director of development and tax commissioner jointly shall submit to the president of the senate and the speaker of the house of representatives a comprehensive report that includes the information required by division (F)(1) of this section and a detailed analysis of the effectiveness of issuing tax credits for rehabilitating historic buildings. The report shall be prepared with the assistance of an economic research organization jointly chosen by the director and commissioner.

Sec. 151.08. This section applies to obligations as defined in this section.

(A) As used in this section:

(1) "Capital facilities" or "capital improvement projects" means the

acquisition, construction, reconstruction, improvement, planning, and equipping of roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, flood control systems, and storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related or incidental to those facilities.

(2) "Costs of capital facilities" include related direct administrative expenses and allocable portions of direct costs of the Ohio public works commission and the local subdivision.

(3) "Local subdivision" means any county, municipal corporation, township, sanitary district, or regional water and sewer district.

(4) "Obligations" means obligations as defined in section 151.01 of the Revised Code issued to pay costs of capital facilities.

(B)(1) The issuing authority shall issue obligations to pay costs of financing or assisting in the financing of the capital improvement projects of local subdivisions pursuant to Section 2m of Article VIII, Ohio Constitution, section 151.01 of the Revised Code, and this section. Not more than one hundred twenty million dollars principal amount of obligations, plus the principal amount of obligations that in any prior fiscal years could have been, but were not, issued within that one-hundred-twenty-million dollar fiscal year limit, may be issued in any fiscal year. Not more than one billion two hundred million dollars principal amount of obligations pursuant to Section 2m of Article VIII, Ohio Constitution may be issued for the purposes of this section and division (B)(2) of section 164.09 of the Revised Code.

(2) The issuing authority shall issue obligations to pay costs of financing or assisting in the financing of the capital improvement projects of local subdivisions pursuant to Section 2p of Article VIII, Ohio Constitution, section 151.01 of the Revised Code, and this section. Not more than one hundred twenty million dollars in principal amount of such obligations may be issued in any of the first five fiscal years of issuance and not more than one hundred fifty million dollars in principal amount of such obligations may be issued in any of the next five fiscal years, plus in each case the principal amount of such obligations that in any prior fiscal year could have been but were not issued within those fiscal year limits. No obligations shall be issued for the purposes of this section pursuant to Section 2p of Article VIII, Ohio Constitution, until at least one billion one hundred ninety-nine million five hundred thousand dollars aggregate principal amount of obligations have been issued pursuant to Section 2m of Article VIII, Ohio Constitution. Not more than one billion three hundred fifty million dollars

principal amount of obligations may be issued pursuant to Section 2p of Article VIII, Ohio Constitution for the purposes of this section.

(C) Net proceeds of obligations shall be deposited into the state capital improvements fund created by section 164.08 of the Revised Code.

(D) There is hereby created in the state treasury the "state capital improvements bond service fund." All moneys received by the state and required by the bond proceedings, consistent with this section and section 151.01 of the Revised Code, 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 that fund, shall be deposited and credited to the bond service fund, subject to any applicable provisions of the bond proceedings but without necessity for any act of appropriation. During the period beginning with the date of the first issuance of obligations and continuing during the time that any obligations are outstanding in accordance with their terms, so long as moneys in the bond service fund are insufficient to pay debt service when due on those obligations payable from that fund (except the principal amounts of bond anticipation notes payable from the proceeds of renewal notes or bonds anticipated) and due in the particular fiscal year, a sufficient amount of revenues of the state is committed and, without necessity for further act of appropriation, shall be paid to the bond service fund for the purpose of paying that debt service when due.

Sec. 151.40. (A) As used in this section:

(1) "Bond proceedings" includes any trust agreements, and any amendments or supplements to them, as authorized by this section.

(2) "Costs of revitalization projects" includes related direct administrative expenses and allocable portions of the direct costs of those projects of the department of development or the environmental protection agency.

(3) "Issuing authority" means the treasurer of state.

(4) "Obligations" means obligations as defined in section 151.01 of the Revised Code issued to pay the costs of projects for revitalization purposes as referred to in division (A)(2) of Section 2o of Article VIII, Ohio Constitution.

(5) "Pledged liquor profits" means all receipts of the state representing the gross profit on the sale of spirituous liquor, as referred to in division (B)(4) of section 4301.10 of the Revised Code, after paying all costs and expenses of the division of liquor control and providing an adequate working capital reserve for the division of liquor control as provided in that division, but excluding the sum required by the second paragraph of section

4301.12 of the Revised Code, as it was in effect on May 2, 1980, to be paid into the state treasury.

(6) "Pledged receipts" means, as and to the extent provided in bond proceedings:

(a) Pledged liquor profits. The pledge of pledged liquor profits to obligations is subject to the priority of the pledge of those profits to obligations issued and to be issued pursuant to Chapter 166. of the Revised Code.

(b) Moneys accruing to the state from the lease, sale, or other disposition or use of revitalization projects or from the repayment, including any interest, of loans or advances made from net proceeds;

(c) Accrued interest received from the sale of obligations;

(d) Income from the investment of the special funds;

(e) Any gifts, grants, donations, or pledges, and receipts therefrom, available for the payment of debt service;

(f) Additional or any other specific revenues or receipts lawfully available to be pledged, and pledged, pursuant to further authorization by the general assembly, to the payment of debt service.

(B)(1) The issuing authority shall issue obligations of the state to pay costs of revitalization projects pursuant to division (B)(2) of Section 2o of Article VIII, Ohio Constitution, section 151.01 of the Revised Code as applicable to this section, and this section. The issuing authority, upon the certification to it by the clean Ohio council of the amount of moneys needed in and for the purposes of the clean Ohio revitalization fund created by section 122.658 of the Revised Code, shall issue obligations in the amount determined by the issuing authority to be required for those purposes. Not more than two hundred million dollars principal amount of obligations issued under this section for revitalization purposes may be outstanding at any one time. Not more than fifty million dollars principal amount of obligations, plus the principal amount of obligations that in any prior fiscal year could have been, but were not issued within the fifty-million-dollar fiscal year limit, may be issued in any fiscal year.

(2) The provisions and authorizations in section 151.01 of the Revised Code apply to the obligations and the bond proceedings except as otherwise provided or provided for in those obligations and bond proceedings.

(C) Net proceeds of obligations shall be deposited in the clean Ohio revitalization fund created in section 122.658 of the Revised Code.

(D) There is hereby created the revitalization projects bond service fund, which shall be in the custody of the treasurer of state, but shall be separate and apart from and not a part of the state treasury. All money received by

the state and required by the bond proceedings, consistent with section 151.01 of the Revised Code and this section, to be deposited, transferred, or credited to the bond service fund, and all other money transferred or allocated to or received for the purposes of that fund, shall be deposited and credited to the bond service fund, subject to any applicable provisions of the bond proceedings, but without necessity for any act of appropriation. During the period beginning with the date of the first issuance of obligations and continuing during the time that any obligations are outstanding in accordance with their terms, so long as moneys in the bond service fund are insufficient to pay debt service when due on those obligations payable from that fund, except the principal amounts of bond anticipation notes payable from the proceeds of renewal notes or bonds anticipated, and due in the particular fiscal year, a sufficient amount of pledged receipts is committed and, without necessity for further act of appropriation, shall be paid to the bond service fund for the purpose of paying that debt service when due.

(E) The issuing authority may pledge all, or such portion as the issuing authority determines, of the pledged receipts to the payment of the debt 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 in the bond proceedings with respect to pledged receipts as authorized by this section, which provisions are controlling notwithstanding any other provisions of law pertaining to them.

(F) The issuing authority may covenant in the bond proceedings, and such covenants shall be controlling notwithstanding any other provision of law, that the state and applicable officers and state agencies, including the general assembly, so long as any obligations issued under this section are outstanding, shall maintain statutory authority for and cause to be charged and collected wholesale or retail prices for spirituous liquor sold by the state or its agents so that the available pledged receipts are sufficient in time and amount to meet debt service payable from pledged liquor profits and for the establishment and maintenance of any reserves and other requirements provided for in the bond proceedings.

(G) Obligations may be further secured, as determined by the issuing authority, by a trust agreement between the state and a corporate trustee, which may be any trust company or bank having ~~its principal~~ a place of business within the state. Any trust agreement may contain the resolution or order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that are customary or appropriate in an agreement of that type, including, but not limited to:

(1) Maintenance of each pledge, trust agreement, or other instrument comprising part of the bond proceedings until the state has fully paid or provided for the payment of debt service on the obligations secured by it;

(2) In the event of default in any payments required to be made by the bond proceedings, enforcement of those payments or agreements by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of them;

(3) The rights and remedies of the holders or owners of obligations and of the trustee and provisions for protecting and enforcing them, including limitations on rights of individual holders and owners.

(H) The obligations shall not be general obligations of the state and the full faith and credit, revenue, and taxing power of the state shall not be pledged to the payment of debt service on them. The holders or owners of the obligations shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in this section and in the applicable bond proceedings. The rights of the holders and owners to payment of debt service are limited to all or that portion of the pledged receipts, and those special funds, pledged to the payment of debt service pursuant to the bond proceedings in accordance with this section, and each obligation shall bear on its face a statement to that effect.

Sec. 156.02. ~~The director of administrative services may contract with an energy services company, contractor, architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures~~ the office of energy efficiency in the department of development for a report containing an analysis and recommendations pertaining to the implementation of energy conservation measures that would significantly reduce energy consumption and operating costs in any buildings owned by the state and, upon request of its board of trustees or managing authority, any building owned by an institution of higher education as defined in section 3345.12 of the Revised Code. The report shall include estimates of all costs of such measures, including the costs of design, engineering, installation, maintenance, repairs, and debt service, and estimates of the amounts by which energy consumption and operating costs would be reduced.

Sec. 164.03. For the purpose of allocating the funds made available to finance public infrastructure capital improvement projects of local subdivisions through the issuance of general obligations of the state of Ohio pursuant to Section 2k ~~or~~, 2m, or 2p of Article VIII, Ohio Constitution, the state is divided into the following districts:

District one. Cuyahoga county shall constitute district one.

District two. Hamilton county shall constitute district two.

District three. Franklin county shall constitute district three.

District four. Montgomery county shall constitute district four.

District five. Defiance, Erie, Fulton, Henry, Ottawa, Paulding, Sandusky, Williams, and Wood counties shall constitute district five.

District six. Mahoning and Trumbull counties shall constitute district six.

District seven. Ashtabula, Geauga, Lake, and Portage counties shall constitute district seven.

District eight. Summit county shall constitute district eight.

District nine. Lorain, Huron, and Medina counties shall constitute district nine.

District ten. Butler, Clermont, Clinton, and Warren counties shall constitute district ten.

District eleven. Champaign, Clark, Darke, Greene, Madison, Miami, Preble, and Union counties shall constitute district eleven.

District twelve. Lucas county shall constitute district twelve.

District thirteen. Allen, Auglaize, Hancock, Logan, Mercer, Putnam, Shelby, and Van Wert counties shall constitute district thirteen.

District fourteen. Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, and Tuscarawas counties shall constitute district fourteen.

District fifteen. Adams, Brown, Fayette, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scioto, and Vinton counties shall constitute district fifteen.

District sixteen. Ashland, Crawford, Hardin, Marion, Richland, Seneca, Wayne, and Wyandot counties shall constitute district sixteen.

District seventeen. Delaware, Fairfield, Knox, Licking, Morrow, and Pickaway counties shall constitute district seventeen.

District eighteen. Athens, Belmont, Hocking, Meigs, Monroe, Morgan, Muskingum, Noble, Perry, and Washington counties shall constitute district eighteen.

District nineteen. Stark county shall constitute district nineteen.

Sec. 164.08. (A) Except as provided in sections 151.01 and 151.08 or section 164.09 of the Revised Code, the net proceeds of obligations issued and sold by the treasurer of state pursuant to section 164.09 of the Revised Code before September 30, 2000, or pursuant to sections 151.01 and 151.08 of the Revised Code, for the purpose of financing or assisting in the financing of the cost of public infrastructure capital improvement projects of local subdivisions, as provided for in Section 2k ~~or~~, 2m, or 2p of Article

VIII, Ohio Constitution, and this chapter, shall be paid into the state capital improvements fund, which is hereby created in the state treasury. Investment earnings on moneys in the fund shall be credited to the fund.

(B) Each program year the amount of obligations authorized by the general assembly in accordance with sections 151.01 and 151.08 or section 164.09 of the Revised Code, excluding the proceeds of refunding or renewal obligations, shall be allocated by the director of the Ohio public works commission as follows:

(1) First, twelve million dollars of the amount of obligations authorized shall be allocated to provide financial assistance to villages and to townships with populations in the unincorporated areas of the township of less than five thousand persons, for capital improvements in accordance with section 164.051 and division (D) of section 164.06 of the Revised Code. As used in division (B)(1) of this section, "capital improvements" includes resurfacing and improving roads.

(2) Following the allocation required by division (B)(1) of this section, the director may allocate two million five hundred thousand dollars of the authorized obligations to provide financial assistance to local subdivisions for capital improvement projects which in the judgment of the director of the Ohio public works commission are necessary for the immediate preservation of the health, safety, and welfare of the citizens of the local subdivision requesting assistance.

(3) For the second, third, fourth, and fifth years that obligations are authorized and are available for allocation under this chapter, one million dollars shall be allocated to the sewer and water fund created in section 1525.11 of the Revised Code. Money from this allocation shall be transferred to that fund when needed to support specific payments from that fund.

(4) For program years twelve and fourteen that obligations are authorized and available for allocation under this chapter, two million dollars each program year shall be allocated to the small county capital improvement program for use in providing financial assistance under division (F) of section 164.02 of the Revised Code.

(5) After the allocation required by division (B)(3) of this section is made, the director shall determine the amount of the remaining obligations authorized to be issued and sold that each county would receive if such amounts were allocated on a per capita basis each year. If a county's per capita share for the year would be less than three hundred thousand dollars, the director shall allocate to the district in which that county is located an amount equal to the difference between three hundred thousand dollars and

the county's per capita share.

(6) After making the allocation required by division (B)(5) of this section, the director shall allocate the remaining amount to each district on a per capita basis.

(C)(1) There is hereby created in the state treasury the state capital improvements revolving loan fund, into which shall be deposited all repayments of loans made to local subdivisions for capital improvements pursuant to this chapter. Investment earnings on moneys in the fund shall be credited to the fund.

(2) There may also be deposited in the state capital improvements revolving loan fund moneys obtained from federal or private grants, or from other sources, which are to be used for any of the purposes authorized by this chapter. Such moneys shall be allocated each year in accordance with division (B)(6) of this section.

(3) Moneys deposited into the state capital improvements revolving loan fund shall be used to make loans for the purpose of financing or assisting in the financing of the cost of capital improvement projects of local subdivisions.

(4) Investment earnings credited to the state capital improvements revolving loan fund that exceed the amounts required to meet estimated federal arbitrage rebate requirements shall be used to pay costs incurred by the public works commission in administering this section. Investment earnings credited to the state capital improvements revolving loan fund that exceed the amounts required to pay for the administrative costs and estimated rebate requirements shall be allocated to each district on a per capita basis.

(5) Each program year, loan repayments received and on deposit in the state capital improvements revolving loan fund shall be allocated as follows:

(a) Each district public works integrating committee shall be allocated an amount equal to the sum of all loan repayments made to the state capital improvements revolving loan fund by local subdivisions that are part of the district. Moneys not used in a program year may be used in the next program year in the same manner and for the same purpose as originally allocated.

(b) Loan repayments made pursuant to projects approved under division (B)(1) of this section shall be used to make loans in accordance with section 164.051 and division (D) of section 164.06 of the Revised Code. Allocations for this purpose made pursuant to division (C)(5) of this section shall be in addition to the allocation provided in division (B)(1) of this section.

(c) Loan repayments made pursuant to projects approved under division

(B)(2) of this section shall be used to make loans in accordance with division (B)(2) of this section. Allocations for this purpose made pursuant to division (C)(5) of this section shall be in addition to the allocation provided in division (B)(2) of this section.

(d) Loans made from the state capital improvements revolving loan fund shall not be limited in their usage by divisions (E), (F), (G), (H), and (I) of section 164.05 of the Revised Code.

(D) Investment earnings credited to the state capital improvements fund that exceed the amounts required to meet estimated federal arbitrage rebate requirements shall be used to pay costs incurred by the public works commission in administering sections 164.01 to 164.12 of the Revised Code.

(E) The director of the Ohio public works commission shall notify the director of budget and management of the amounts allocated pursuant to this section and such information shall be entered into the state accounting system. The director of budget and management shall establish appropriation line items as needed to track these allocations.

(F) If the amount of a district's allocation in a program year exceeds the amount of financial assistance approved for the district by the commission for that year, the remaining portion of the district's allocation shall be added to the district's allocation pursuant to division (B) of this section for the next succeeding year for use in the same manner and for the same purposes as it was originally allocated, except that any portion of a district's allocation which was available for use on new or expanded infrastructure pursuant to division (H) of section 164.05 of the Revised Code shall be available in succeeding years only for the repair and replacement of existing infrastructure.

(G) When an allocation based on population is made by the director pursuant to division (B) of this section, the director shall use the most recent decennial census statistics, and shall not make any reallocations based upon a change in a district's population.

Sec. 164.09. (A) The issuer is authorized to issue and sell, as provided in this section and in amounts from time to time authorized by the general assembly, general obligations of this state for the purpose of financing or assisting in the financing of the costs of public infrastructure capital improvements for local subdivisions. The full faith and credit, revenues, and taxing power of the state are and shall be pledged to the timely payment of bond service charges on outstanding obligations, all in accordance with Section 2k or 2m of Article VIII, Ohio Constitution and sections 164.09 to 164.12 of the Revised Code, excluding from that pledge fees, excises, or taxes relating to the registration, operation, or use of vehicles on the public

highways, or to fuels used for propelling those vehicles, and so long as such obligations are outstanding there shall be levied and collected excises and taxes, excluding those excepted above, in amounts sufficient to pay the bond service charges on such obligations and costs relating to credit facilities.

(B)(1) The total principal amount of obligations issued pursuant to Section 2k of Article VIII, Ohio Constitution shall not exceed one billion two hundred million dollars, and not more than one hundred twenty million dollars in principal amount of obligations may be issued in any calendar year, all determined as provided in sections 164.09 to 164.12 of the Revised Code.

(2) The total principal amount of obligations issued for the purposes of this section pursuant to Section 2m of Article VIII, Ohio Constitution, shall not exceed one billion two hundred million dollars. Not more than one hundred twenty million dollars in principal amount of such obligations, plus the principal amount of such obligations that in any prior fiscal years could have been but were not issued within the one-hundred-twenty-million-dollar fiscal year limit, may be issued in any fiscal year. No obligations shall be issued for the purposes of this section pursuant to Section 2m of Article VIII, Ohio Constitution, until at least one billion one hundred ninety-nine million five hundred thousand dollars aggregate principal amount of obligations have been issued pursuant to Section 2k of Article VIII, Ohio Constitution. The amounts specified under division (B)(2) of this section shall be determined as provided in sections 164.09 to 164.12 of the Revised Code.

(C) Each issue of obligations shall be authorized by order of the issuer. The bond proceedings shall provide for the principal amount or maximum principal amount of obligations of an issue, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding the earlier of thirty years from the date of issuance of the particular obligations or thirty years from the date the debt represented by the particular obligations was originally contracted, the interest rate or rates, the date of and the dates of payment of interest on the obligations, their denominations, and the establishment within or without the state of a place or places of payment of bond service charges. Sections 9.96 and 9.98 to 9.983 of the Revised Code are applicable to the obligations. The purpose of the obligations may be stated in the bond proceedings as "financing or assisting in the financing of local subdivisions capital improvement projects."

(D) The proceeds of the obligations, except for any portion to be deposited in special funds, or in escrow funds for the purpose of refunding

outstanding obligations, all as may be provided in the bond proceedings, shall be deposited to the state capital improvements fund established by section 164.08 of the Revised Code.

(E) The issuer may appoint paying agents, bond registrars, securities depositories, and transfer agents, and may retain the services of financial advisers and accounting experts, 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 issuer's judgment to carry out sections 164.01 to 164.12 of the Revised Code. Financing costs are payable, as provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other moneys available for the purpose.

(F) The bond proceedings, including any trust agreement, may contain additional provisions customary or appropriate to the financing or to the obligations or to particular obligations, including but not limited to:

(1) The redemption of obligations prior to maturity at the option of the state or of the holder or upon the occurrence of certain conditions at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(2) The form of and other terms of the obligations;

(3) The establishment, 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, and provided that any bank or trust company that acts as a depository of any moneys in special funds may furnish such indemnifying bonds or may pledge such securities as required by the issuer;

(4) Any or every provision of the bond proceedings binding upon the issuer and such state agency or local subdivision, 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;

(5) The maintenance of each pledge, any trust agreement, or other instrument comprising part of the bond proceedings until the state has fully paid or provided for the payment of the bond service charges on the obligations or met other stated conditions;

(6) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the issuer made as a part of a contract under which the obligations were issued or secured, the

enforcement of such payments or agreements by mandamus, suit in equity, action at law, or any combination of the foregoing;

(7) The rights and remedies of the holders of obligations and of the trustee under any trust agreement, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(8) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(9) Provision for the funding, refunding, or advance refunding or other provision for payment of obligations which will then no longer be outstanding for purposes of this section or of the bond proceedings;

(10) Any provision that may be made in bond proceedings or a trust agreement, including provision for amendment of the bond proceedings;

(11) Such other provisions as the issuer determines, including limitations, conditions, or qualifications relating to any of the foregoing;

(12) Any other or additional agreements with the holders of the obligations relating to the obligations or the security for the obligations.

(G) The great seal of the state or a facsimile of that seal may be affixed to or printed on the obligations. The obligations requiring signature by the issuer shall be signed by or bear the facsimile signature of the issuer as provided in the bond proceedings. Any obligations may be signed by the person who, on the date of execution, is the authorized signer although on the date of such obligations such person was not the issuer. In case the person whose signature or a facsimile of whose signature appears on any obligation ceases to be the issuer before delivery of the obligation, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the person had remained the member until such delivery, and in case the seal to be affixed to or printed on obligations has been changed after the seal has been affixed to or a facsimile of the seal has been printed on the obligations, that seal or facsimile seal shall continue to be sufficient as to those obligations and obligations issued in substitution or exchange therefor.

(H) The obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. Obligations may be issued in coupon or in fully registered form, or both, as the issuer determines. Provision may be made for the registration of any obligations with coupons attached 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 of any obligations registered as to both principal and interest, and for reasonable charges for such registration,

exchange, conversion, and reconversion. Pending preparation of definitive obligations, the issuer may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(I) Obligations may be sold at public sale or at private sale, and at such price at, above, or below par, as determined by the issuer in the bond proceedings.

(J) In the discretion of the issuer, obligations may be secured additionally by a trust agreement between the state and a corporate trustee which may be any trust company or bank having ~~its principal~~ a place of business within the state. Any trust agreement may contain the order authorizing the issuance of the obligations, any provisions that may be contained in the bond proceedings, and other provisions that are customary or appropriate in an agreement of the type.

(K) Except to the extent that their rights are restricted by the bond proceedings, any holder of obligations, or a trustee under 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 the bond proceedings. Such rights include the right to compel the performance of all duties of the issuer and the state. Each duty of the issuer and the issuer's employees, and of each state agency and local public entity and its officers, members, or employees, undertaken pursuant to the bond proceedings, is hereby established as a duty of the issuer, and of each such agency, local subdivision, officer, member, or employee having authority to perform such duty, specifically enjoined by the law and resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The persons who are at the time the issuer, or the issuer's employees, are not liable in their personal capacities on any obligations or any agreements of or with the issuer relating to obligations or under the bond proceedings.

(L) Obligations 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, 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 state agency with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

(M) 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 issuer only in notes, bonds, or other direct obligations of the United States or of any agency or instrumentality of the United States, in obligations of this state or any political subdivision of this state, in 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, in the Ohio subdivision's fund established pursuant to section 135.45 of the Revised Code, in no-front-end-load money market mutual funds consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, and in repurchase agreements, including those issued by any fiduciary, secured by direct obligations of the United States or an agency or instrumentality of the United States, and in collective investment funds established in accordance with section 1111.14 of the Revised Code and consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, notwithstanding division (A)(1)(c) of that section. The income from investments shall be credited to such special funds or otherwise as the issuer determines in the bond proceedings, and the investments may be sold or exchanged at such times as the issuer determines or authorizes.

(N) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in a special fund shall be disbursed on the order of the issuer, provided that no such order is required for the payment from the bond service fund or other special fund when due of bond service charges or required payments under credit facilities.

(O) The issuer may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and the applicable officers and agencies of the state, including the general assembly, so long as any obligations are outstanding in accordance with their terms, shall maintain statutory authority for and cause to be charged and collected taxes, excises, and other receipts of the state so that the receipts to the bond service fund shall be sufficient in amounts to meet bond service charges and for the establishment and maintenance of any reserves and other requirements, including payment of financing costs, provided for in the bond proceedings.

(P) The obligations, and the transfer of, and the interest and other income from, including any profit made on the sale, transfer, or other disposition of, the obligations shall at all times be free from taxation, direct

or indirect, within the state.

(Q) Unless a judicial action or proceeding challenging the validity of obligations is commenced by personal service on the treasurer of state prior to the initial delivery of an issue of the obligations, the obligations of that issue and the bond proceedings pertaining to that issue are incontestable and those obligations shall be conclusively considered to be and to have been issued, secured, payable, sold, executed, and delivered, and the bond proceedings relating to them taken, in conformity with law if all of the following apply to the obligations:

- (1) They state that they are issued under the provisions of this section and comply on their face with those provisions;
- (2) They are issued within the limitations prescribed by this section;
- (3) Their purchase price has been paid in full;
- (4) They state that all the bond proceedings were held in compliance with law, which statement creates a conclusive presumption that the bond proceedings were held in compliance with all laws, including section 121.22 of the Revised Code, where applicable, and rules.

(R) This section applies only with respect to obligations issued and delivered before September 30, 2000.

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

(1) "Bond proceedings" means the resolution, order, trust agreement, indenture, lease, 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 economic development bond service fund created by division (S) 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 such officer.

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

(6) "Pledged receipts" means all receipts of the state representing the gross profit on the sale of spirituous liquor, as referred to in division (B)(4)

of section 4301.10 of the Revised Code, after paying all costs and expenses of the division of liquor control and providing an adequate working capital reserve for the division of liquor control as provided in that division, but excluding the sum required by the second paragraph of section 4301.12 of the Revised Code, as in effect on May 2, 1980, to be paid into the state treasury; moneys accruing to the state from the lease, sale, or other disposition, or use, of project facilities, 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; and any gifts, grants, donations, and pledges, and receipts therefrom, available for the payment of 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 economic development bond service fund created by division (S) 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.

(B) Subject to the limitations provided in section 166.11 of the Revised Code, the issuing authority, upon the certification by the director of development to the issuing authority of the amount of moneys or additional moneys needed in the facilities establishment fund, the loan guarantee fund, the innovation Ohio loan fund, the innovation Ohio loan guarantee fund, or the research and development loan fund for the purpose of paying, or making loans for, allowable costs from the facilities establishment fund, allowable innovation costs from the innovation Ohio loan fund, or allowable costs from the research and development loan fund, or needed for capitalized interest, for funding reserves, and for 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, or providing moneys for the loan guarantee fund or the innovation Ohio loan guarantee fund, as provided in this chapter or needed for the purposes of funds established in accordance with or pursuant to sections 122.35, 122.42, 122.54, 122.55, 122.56, 122.561, 122.57, and 122.80 of the Revised Code which are within the authorization of Section 13

of Article VIII, Ohio Constitution, shall issue obligations of the state under this section in the required amount; provided that such obligations may be issued to satisfy the covenants in contracts of guarantee made under section 166.06 or 166.15 of the Revised Code, notwithstanding limitations otherwise applicable to the issuance of obligations under this section. 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 deposited by the director of development to the facilities establishment fund, the loan guarantee fund, the innovation Ohio loan guarantee fund, the innovation Ohio loan fund, or the research and development loan fund. Bond proceedings for project financing obligations may provide that the proceeds derived from the issuance of such obligations shall be deposited into such fund or funds provided for in the bond proceedings and, to the extent provided for in the bond proceedings, such proceeds shall be deemed to have been deposited into the facilities establishment fund and transferred to such fund or funds. The issuing authority may appoint trustees, paying agents, and transfer 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 allowable costs payable from the facilities establishment fund or the research and development loan fund or allowable innovation costs payable from the innovation Ohio loan fund.

(C) The holders or owners of such obligations shall have no right to have moneys raised by taxation obligated or pledged, and moneys raised by taxation shall not be obligated or pledged, for the payment of bond service charges. Such holders or owners shall have no rights to payment of bond service charges from any moneys accruing to the state from the lease, sale, or other disposition, or use, of project facilities, or from payment of the principal of or interest on loans made, or fees charged for guarantees made, or from any money or property received by the director, treasurer of state, or the state under Chapter 122. of the Revised Code, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations and except as otherwise expressly provided in the applicable bond proceedings pursuant to written directions by the director. The right of such holders and owners to 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 in accordance with this section, and each such obligation shall bear on its face a statement to that effect.

(D) Obligations shall be authorized by resolution or 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, subject to any applicable limitation under section 166.11 of the Revised Code. 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 are immediately 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 chapter, 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 obtained or to be obtained for loans under section 122.43, 166.07, or 166.16 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. If 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 is nevertheless valid and sufficient for all purposes as if the former issuing authority had remained the issuing authority until such delivery; and if 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.

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

(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~~ a place of business within the state. Any such agreement or indenture may contain the resolution or 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 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 holders of obligations or trustees under the bond proceedings, except to the extent that their 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, the director of development, or the division of liquor control required by this chapter or the bond proceedings; 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, the director of development, or the division of liquor control 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 issuing authority or the state or governmental agencies of the state 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 governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any agreement or lease, lease-purchase agreement, or loan made under authority of this chapter, 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. Such obligations may be issued in amounts sufficient for payment of the principal amount of the prior obligations, any redemption premiums thereon, principal maturities of any such obligations maturing prior to the redemption of the remaining obligations on a parity therewith, interest accrued or to accrue to the maturity dates or dates of redemption of such obligations, and any allowable costs including 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 obligations issued under this division to be applied to bond service charges on the prior 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. Obligations authorized under this division shall be deemed to be issued for those purposes for which such prior obligations were issued and are subject to the provisions of this section pertaining to other obligations, except as otherwise provided in this section; provided that, unless otherwise authorized by the general assembly, any limitations imposed by the general assembly pursuant to this section with respect to bond service charges applicable to the prior obligations shall be applicable to the obligations issued under this division to refund, fund, advance refund or retire such prior obligations.

(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 resolution or 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 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 resolution or 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, and for purposes of any limitation on bond service charges prescribed under division (A) of section 166.11 of the Revised Code, the amount of bond service charges on such bond anticipation notes is deemed to be the bond service charges for the bonds anticipated thereby as set forth in the bond proceedings applicable to such notes, but this provision does not modify any authority in this section to pledge receipts and special funds to, and covenant to issue bonds to fund, the payment of principal of and interest and any premium on such notes.

(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 governmental 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 banks. 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 common trust funds established in accordance with section 1111.20 of the Revised Code and consisting exclusively of any such securities, notwithstanding division (A)(4) of that section. 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) 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.

(R) The issuing authority may covenant in the bond proceedings, and any such covenants are controlling notwithstanding any other provision of law, that the state and applicable officers and governmental agencies of the state, including the general assembly, so long as any obligations are outstanding, shall:

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

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

(S) There is hereby created the economic development bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not 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 a bond service fund or the economic development 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. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the pertinent bond service funds are insufficient to pay all bond services charges on such obligations becoming due in each year, a sufficient amount of the gross profit on the sale of spirituous liquor included in pledged receipts are committed and shall be paid to the bond service fund or economic development bond service fund in each year for the purpose of paying the bond service charges becoming due in that year without necessity for further act of appropriation for such purpose and notwithstanding anything to the contrary in Chapter 4301. of the Revised Code. The economic development 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.

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

Sec. 167.04. (A) The regional council of governments shall adopt by-laws, by a majority vote of its members, designating the officers of the council and the method of their selection ~~thereof~~, creating a governing board that may act for the council as provided in ~~such~~ the by-laws, and providing for the conduct of its business.

(B) The by-laws of the regional council of governments shall provide for the appointment of a fiscal officer, who may hold any other office or employment with the council, and who shall receive, deposit, invest, and

disburse the funds of the council in the manner authorized by the by-laws or action by the council.

(C) The by-laws of a regional council of governments the members of which include, under sections 167.01 and 167.02 of the Revised Code, at least eight counties may include a provision authorizing member attendance and voting at council meetings either in person or by proxy.

Sec. 167.10. (A) As used in this section and sections 167.101 to 167.105 of the Revised Code:

(1) "Qualifying council" means a regional council established under section 167.01 of the Revised Code to which both of the following requirements apply:

(a) The council's membership is composed primarily of city, local, and exempted village school districts, or any combination of such districts;

(b) The council is an information technology center approved under section 3301.075 of the Revised Code.

(2) "Securities" means bonds, notes, or other evidence of obligation issued in temporary or permanent form, including book-entry securities.

(B) A qualifying council may acquire, construct, and otherwise improve real and personal property to be used by or for the benefit of the qualifying council or one or more of its members. The acquisition, construction, and improvement may be financed by cash, installment payments with or without a mortgage, lease-purchase agreements, leases with an option to purchase, or securities issued pursuant to section 167.101 of the Revised Code.

Sec. 167.101. (A) A qualifying council may issue securities only for the purpose described in section 167.10 of the Revised Code. The securities may be secured only by the following:

(1) A pledge of and lien on the revenue of the qualifying council, or such lesser portion of the revenue as may be designated by the qualifying council, whether derived from agreements with its members and other persons or from its ownership or operation of any property, including available rates, charges, rents, interest subsidies, debt charges, grants, or payments by federal or state agencies, but excluding funds received pursuant to section 3301.075 of the Revised Code;

(2) Covenants of the qualifying council to maintain rentals, rates, and charges to produce revenue sufficient to do all of the following:

(a) Pay all the current expenses of the property financed with the proceeds of the securities;

(b) Pay the debt charges on the securities;

(c) Establish and maintain any contractually required special funds

relating to the securities or the property acquired, constructed, or improved.

(B) The qualifying council may issue securities to fund or refund the securities issued pursuant to division (A) of this section. The qualifying council also may issue securities in anticipation of the proceeds of the securities issued pursuant to this section.

Sec. 167.102. Securities issued under section 167.101 of the Revised Code are special obligation securities and are not general obligations of the state, the issuing qualifying council, the members of the issuing qualifying council, or any political subdivision of the state. Such securities shall not constitute debt for which the full faith and credit of the state, the issuing qualifying council, the members of the issuing qualifying council, or any political subdivision of the state may be pledged. The holder or owner of the securities shall have no right to have money raised by taxation by the state or any political subdivision of the state obligated or pledged, and money so raised shall not be obligated or pledged, for the payment of principal or interest or premium on such securities, and each security shall bear on its face a statement to that effect. Money received by the qualifying council pursuant to section 167.06 of the Revised Code shall not be considered money raised by taxation.

Sec. 167.103. The officers authorized by a qualifying council issuing securities under section 167.101 of the Revised Code shall execute the necessary documents to provide for the pledge, protection, and disposition of the pledged revenues from which debt charges and any special fund deposits are to be paid. Those necessary documents include the issued securities, trust agreements, leases, and other financing documents.

Sec. 167.104. The maximum maturity of securities issued under section 167.101 of the Revised Code shall be governed by section 133.20 of the Revised Code.

Sec. 167.105. Except for sections 9.98 to 9.983 and 167.10 to 167.105 of the Revised Code, the securities issued under section 167.101 of the Revised Code shall not be subject to any other provision of the Revised Code governing the issuance of securities by the state, its agencies, or any political subdivision of the state.

Sec. 173.04. (A) As used in this section, "respite care" means short-term, temporary care or supervision provided to a person who has Alzheimer's disease in the absence of the person who normally provides that care or supervision.

(B) ~~The~~ Through the internet web site maintained by the department of aging, the director of aging shall develop and disseminate new training materials or disseminate existing Alzheimer's disease training materials for

licensed physicians, registered nurses, licensed practical nurses, administrators of health care programs, social workers, and other health care and social service personnel who participate or assist in the care or treatment of persons who have Alzheimer's disease. The training materials disseminated through the web site may be developed by the director or obtained from other sources.

(C) To the extent funds are available, the director shall administer respite care programs and other supportive services for persons who have Alzheimer's disease and their families or care givers. Respite care programs shall be approved by the director and shall be provided for the following purposes:

(1) Giving persons who normally provide care or supervision for a person who has Alzheimer's disease relief from the stresses and responsibilities that result from providing such care;

(2) Preventing or reducing inappropriate institutional care and enabling persons who have Alzheimer's disease to remain at home as long as possible.

(D) The director may provide services under this section to persons with Alzheimer's disease and their families regardless of the age of the persons with Alzheimer's disease.

(E) The director shall adopt rules in accordance with Chapter 119. of the Revised Code governing respite care programs and other supportive services, the distribution of funds, and the purpose for which funds may be utilized under this section.

(F) The director may create an Alzheimer's disease and related disorders task force to advise the director on the following:

(1) The rights of persons with Alzheimer's disease and on the and related disorders;

(2) The development and evaluation of education and training programs, home care programs, and respite care programs, and long-term care initiatives as they relate to that serve persons with Alzheimer's disease and related disorders;

(3) How to serve persons with Alzheimer's disease and related disorders in Ohio's unified long-term care budget system. If

If a task force is created, the members shall include representatives of the Alzheimer's disease association and other organizations the director considers appropriate.

Sec. 173.35. (A) As used in this section, "PASSPORT administrative agency" means an entity under contract with the department of aging to provide administrative services regarding the PASSPORT program created

under section 173.40 of the Revised Code.

(B) The department of aging shall administer the residential state supplement program under which the state supplements the supplemental security income payments received by aged, blind, or disabled adults under Title XVI of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A., as amended. Residential state supplement payments shall be used for the provision of accommodations, supervision, and personal care services to supplemental security income recipients who the department determines are at risk of needing institutional care.

(C) For an individual to be eligible for residential state supplement payments, all of the following must be the case:

(1) Except as provided by division (G) of this section, the individual must reside in one of the following:

(a) An adult foster home certified under section 173.36 of the Revised Code;

(b) A home or facility, other than a nursing home or nursing home unit of a home for the aging, licensed by the department of health under Chapter 3721. or 3722. of the Revised Code and certified in accordance with standards established by the director of aging under division (D)(2) of this section;

(c) A community alternative home licensed under section 3724.03 of the Revised Code and certified in accordance with standards established by the director of aging under division (D)(2) of this section;

(d) A residential facility as defined in division (A)(1)(d)(ii) of section 5119.22 of the Revised Code licensed by the department of mental health and certified in accordance with standards established by the director of aging under division (D)(2) of this section;

(e) An apartment or room used to provide community mental health housing services certified by the department of mental health under section 5119.611 of the Revised Code and approved by a board of alcohol, drug addiction, and mental health services under division (A)(14) of section 340.03 of the Revised Code and certified in accordance with standards established by the director of aging under division (D)(2) of this section.

(2) Effective July 1, 2000, a PASSPORT administrative agency must have determined that the environment in which the individual will be living while receiving the payments is appropriate for the individual's needs. If the individual is eligible for supplemental security income payments or social security disability insurance benefits because of a mental disability, the PASSPORT administrative agency shall refer the individual to a community mental health agency for the community mental health agency to issue in

accordance with section 340.091 of the Revised Code a recommendation on whether the PASSPORT administrative agency should determine that the environment in which the individual will be living while receiving the payments is appropriate for the individual's needs. Division (C)(2) of this section does not apply to an individual receiving residential state supplement payments on June 30, 2000, until the individual's first eligibility redetermination after that date.

(3) The individual satisfies all eligibility requirements established by rules adopted under division (D) of this section.

(D)(1) The directors of aging and job and family services shall adopt rules in accordance with section 111.15 of the Revised Code as necessary to implement the residential state supplement program.

To the extent permitted by Title XVI of the "Social Security Act," and any other provision of federal law, the director of job and family services shall adopt rules establishing standards for adjusting the eligibility requirements concerning the level of impairment a person must have so that the amount appropriated for the program by the general assembly is adequate for the number of eligible individuals. The rules shall not limit the eligibility of disabled persons solely on a basis classifying disabilities as physical or mental. The director of job and family services also shall adopt rules that establish eligibility standards for aged, blind, or disabled individuals who reside in one of the homes or facilities specified in division (C)(1) of this section but who, because of their income, do not receive supplemental security income payments. The rules may provide that these individuals may include individuals who receive other types of benefits, including, social security disability insurance benefits provided under Title II of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 401, as amended. Notwithstanding division (B) of this section, such payments may be made if funds are available for them.

The director of aging shall adopt rules establishing the method to be used to determine the amount an eligible individual will receive under the program. The amount the general assembly appropriates for the program shall be a factor included in the method that department establishes.

(2) The director of aging shall adopt rules in accordance with Chapter 119. of the Revised Code establishing standards for certification of living facilities described in division (C)(1) of this section.

The directors of aging and mental health shall enter into an agreement to certify facilities that apply for certification and meet the standards established by the director of aging under this division.

(E) The county department of job and family services of the county in

which an applicant for the residential state supplement program resides shall determine whether the applicant meets income and resource requirements for the program.

(F) The department of aging shall maintain a waiting list of any individuals eligible for payments under this section but not receiving them because moneys appropriated to the department for the purposes of this section are insufficient to make payments to all eligible individuals. An individual may apply to be placed on the waiting list even though the individual does not reside in one of the homes or facilities specified in division (C)(1) of this section at the time of application. The director of aging, by rules adopted in accordance with Chapter 119. of the Revised Code, shall specify procedures and requirements for placing an individual on the waiting list and priorities for the order in which individuals placed on the waiting list are to begin to receive residential state supplement payments. Individuals on the waiting list who reside in a community setting not required to be licensed or certified shall have their eligibility for the payments assessed before other individuals on the waiting list. The rules specifying priorities may give priority to individuals placed on the waiting list on or after July 1, 2006, who receive supplemental security income benefits under Title XVI of the "Social Security Act," 86 Stat. 1475 (1972), 42 U.S.C. 1381, as amended. The rules shall not affect the place on the waiting list of any person who was on the list on July 1, 2006. The rules specifying priorities may also set additional priorities based on living arrangement, such as whether an individual resides in a facility listed in division (C)(1) of this section or has been admitted to a nursing facility.

(G) An individual in a licensed or certified living arrangement receiving state supplementation on November 15, 1990, under former section 5101.531 of the Revised Code shall not become ineligible for payments under this section solely by reason of the individual's living arrangement as long as the individual remains in the living arrangement in which the individual resided on November 15, 1990.

(H) The department of aging shall notify each person denied approval for payments under this section of the person's right to a hearing. On request, the hearing shall be provided by the department of job and family services in accordance with section 5101.35 of the Revised Code.

Sec. 173.351. (A) As used in this section:

"Area agency on aging" has the same meaning as in section 173.14 of the Revised Code.

"Long-term care consultation program" means the program the department of aging is required to develop under section 173.42 of the

Revised Code.

"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.

"Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

"Residential state supplement program" means the program administered pursuant to section 173.35 of the Revised Code.

(B) Each month, 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 residential state supplement 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 residential state supplement program is appropriate for the individual and whether the individual would rather participate in the program than continue residing in the nursing facility. If the administrator determines that the residential state supplement program is appropriate for the individual and the individual would rather participate in the 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 individual's enrollment in the residential state supplement program in accordance with the priorities specified in rules adopted under division (F) of section 173.35 of the Revised Code. Each quarter, the department of aging shall certify to the director of budget and management the estimated increase in costs of the residential state supplement program resulting from enrollment of individuals in the program pursuant to this section.

(C) Not later than the last day of each calendar year, the director of aging shall submit to the general assembly a report regarding the number of individuals enrolled in the residential state supplement program pursuant to this section and the costs incurred and savings achieved as a result of the enrollments.

Sec. 173.401. (A) As used in this section:

"Area agency on aging" has the same meaning as in section 173.14 of the Revised Code.

"Long-term care consultation program" means the program the department of aging is required to develop under section 173.42 of the

Revised Code.

"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.

"Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

"PASSPORT program" means the program created under section 173.40 of the Revised Code.

"PASSPORT waiver" means the federal medicaid waiver granted by the United States secretary of health and human services that authorizes the PASSPORT program.

(B) The director of job and family services shall submit to the United States secretary of health and human services an amendment to the PASSPORT waiver that authorizes additional enrollments in the PASSPORT program pursuant to this section. Beginning with the month following the month in which the United States secretary approves the amendment and each month thereafter, 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 individual's enrollment in the PASSPORT program regardless of the PASSPORT program's waiting list and even though the enrollment causes enrollment in the program to exceed the limit that would otherwise apply. Each quarter, the department of aging shall certify to the director of budget and management the estimated increase in costs of the PASSPORT program resulting from enrollment of individuals in the PASSPORT program pursuant to this section.

(C) Not later than the last day of each calendar year, the director of job

and family services shall submit to the general assembly a report regarding the number of individuals enrolled in the PASSPORT program pursuant to this section and the costs incurred and savings achieved as a result of the enrollments.

Sec. 173.71. As used in sections 173.71 to 173.91 of the Revised Code:

(A) "Children's health insurance program" means the children's health insurance program part I ~~and~~, part II, ~~and~~ part III established under sections 5101.50 to ~~5101.5110~~ 5101.529 of the Revised Code.

(B) "Disability medical assistance program" means the program established under section 5115.10 of the Revised Code.

(C) "Medicaid program" or "medicaid" means the medical assistance program established under Chapter 5111. of the Revised Code.

(D) "National drug code number" means the number registered for a drug pursuant to the listing system established by the United States food and drug administration under the "Drug Listing Act of 1972," 86 Stat. 559, 21 U.S.C. 360, as amended.

(E) "Ohio's best Rx program participant" or "participant" means an individual determined eligible for the Ohio's best Rx program and included under an Ohio's best Rx program enrollment card.

(F) "Participating manufacturer" means a drug manufacturer participating in the Ohio's best Rx program pursuant to a manufacturer agreement entered into under section 173.81 of the Revised Code.

(G) "Participating terminal distributor" means a terminal distributor of dangerous drugs participating in the Ohio's best Rx program pursuant to an agreement entered into under section 173.79 of the Revised Code.

(H) "Political subdivision" has the same meaning as in section 9.23 of the Revised Code.

(I) "State agency" has the same meaning as in section 9.23 of the Revised Code.

(J) "Terminal distributor of dangerous drugs" has the same meaning as in section 4729.01 of the Revised Code.

(K) "Third-party payer" has the same meaning as in section 3901.38 of the Revised Code.

(L) "Trade secret" has the same meaning as in section 1333.61 of the Revised Code.

(M) "Usual and customary charge" means the amount a participating terminal distributor or the drug mail order system included in the Ohio's best Rx program pursuant to section 173.78 of the Revised Code charges when a drug included in the program is purchased by an individual who does not receive a discounted price for the drug pursuant to any drug discount

program, including the Ohio's best Rx program or a pharmacy assistance program established by any person or government entity, and for whom no third-party payer or program funded in whole or part with state or federal funds is responsible for all or part of the cost of the drug.

Sec. 173.85. (A) The Ohio's best Rx program fund is hereby created: ~~The fund shall be in the custody of the treasurer of state, but shall not be part of the state treasury.~~ The fund shall consist of the following:

(1) Manufacturer payments made by participating manufacturers pursuant to agreements entered into under section 173.81 of the Revised Code;

(2) Administrative fees, if an administrative fee is determined by the department of aging in rules adopted under section 173.83 of the Revised Code;

(3) Any amounts donated to the fund and accepted by the department;

(4) The fund's investment earnings.

(B) Money in the Ohio's best Rx program fund shall be used to make payments under section 173.801 of the Revised Code and to make transfers to the Ohio's best Rx administration fund in accordance with section 173.86 of the Revised Code.

Sec. 173.86. (A) The Ohio's best Rx administration fund is hereby created in the state treasury. ~~The treasurer of state~~ director of budget and management shall transfer from the Ohio's best Rx program fund to the Ohio's best Rx administration fund amounts equal to the following:

(1) Amounts resulting from application of the program administration percentage, if a program administration percentage is determined by the department of aging in rules adopted under section 173.83 of the Revised Code;

(2) The amount of the administrative fees charged Ohio's best Rx participants, if an administrative fee is determined by the department of aging in rules adopted under section 173.83 of the Revised Code;

(3) The amount of any donations credited to the Ohio's best Rx program fund;

(4) The amount of investment earnings credited to the Ohio's best Rx program fund.

~~The treasurer of state~~ director of budget and management shall make the transfers in accordance with a schedule developed by the ~~treasurer of state~~ director and the department of aging.

(B) The department of aging shall use money in the Ohio's best Rx administration fund to pay the administrative costs of the Ohio's best Rx program, including, but not limited to, costs associated with contracted

services, staff, outreach activities, computers and network services, and the Ohio's best Rx program council. If the fund includes an amount that exceeds the amount necessary to pay the administrative costs of the program, the department may use the excess amount to pay the cost of subsidies provided to Ohio's best Rx program participants under any subsidy program established pursuant to section 173.861 of the Revised Code.

Sec. 174.03. (A) The department of development and the Ohio housing finance agency shall each develop programs under which, in accordance with rules adopted under this section, they may make grants, loans, loan guarantees, and loan subsidies to counties, municipal corporations, townships, local housing authorities, and nonprofit organizations and may make loans, loan guarantees, and loan subsidies to private developers and private lenders to assist in activities that provide housing and housing assistance for specifically targeted low- and moderate-income families and individuals. There is no minimum housing project size for awards under this division for any project that is developed for a special needs population and that is supported by a social service agency where the housing project is located. Activities for which grants, loans, loan guarantees, and loan subsidies may be made under this section include all of the following:

(1) Acquiring, financing, constructing, leasing, rehabilitating, remodeling, improving, and equipping publicly or privately owned housing;

(2) Providing supportive services related to housing and the homeless, including housing counseling. Not more than twenty per cent of the current year appropriation authority for the low- and moderate-income housing trust fund that remains after the award of funds made pursuant to divisions (A)(1), (A)(2), and (A)(3) of section 174.02 of the Revised Code, shall be awarded in any fiscal year for supportive services.

(3) Providing rental assistance payments or other project operating subsidies that lower tenant rents.

(B) Activities listed under division (A) of this section may include emergency shelter care programs for unaccompanied youth seventeen years of age and younger.

(C) Grants, loans, loan guarantees, and loan subsidies may be made to counties, municipal corporations, townships, and nonprofit organizations for the additional purposes of providing technical assistance, design and finance services and consultation, and payment of pre-development and administrative costs related to any of the activities listed above.

~~(C)~~(D) In developing programs under this section, the department and the agency shall invite, accept, and consider public comment, and recommendations from the housing trust fund advisory committee created

under section 174.06 of the Revised Code, on how the programs should be designed to most effectively benefit low- and moderate-income families and individuals. The programs developed under this section shall respond collectively to housing and housing assistance needs of low- and moderate-income families and individuals statewide.

~~(D)~~(E) The department and the agency, in accordance with Chapter 119. of the Revised Code, shall each adopt rules to administer programs developed under this section. The rules shall prescribe procedures and forms that counties, municipal corporations, townships, local housing authorities, and nonprofit organizations shall use in applying for grants, loans, loan guarantees, and loan subsidies and that private developers and private lenders shall use in applying for loans, loan guarantees, and loan subsidies; eligibility criteria for the receipt of funds; procedures for reviewing and granting or denying applications; procedures for paying out funds; conditions on the use of funds; procedures for monitoring the use of funds; and procedures under which a recipient shall be required to repay funds that are improperly used. The rules shall do both of the following:

(1) Require each recipient of a grant or loan made from the low- and moderate-income housing trust fund for activities that provide, or assist in providing, a rental housing project, to reasonably ensure that the rental housing project will remain affordable to those families and individuals targeted for the rental housing project for the useful life of the rental housing project or for thirty years, whichever is longer;

(2) Require each recipient of a grant or loan made from the low- and moderate-income housing trust fund for activities that provide, or assist in providing, a housing project to prepare and implement a plan to reasonably assist any families and individuals displaced by the housing project in obtaining decent affordable housing.

~~(E)~~(F) In prescribing eligibility criteria and conditions for the use of funds, neither the department nor the agency is limited to the criteria and conditions specified in this section and each may prescribe additional eligibility criteria and conditions that relate to the purposes for which grants, loans, loan guarantees, and loan subsidies may be made. However, the department and agency are limited by the following specifically targeted low- and moderate-income guidelines:

(1) Not less than seventy-five per cent of the money granted and loaned under this section in any fiscal year shall be for activities that provide affordable housing and housing assistance to families and individuals whose incomes are equal to or less than fifty per cent of the median income for the county in which they live, as determined by the department under section

174.04 of the Revised Code.

(2) Any money granted and loaned under this section in any fiscal year that is not granted or loaned pursuant to division ~~(E)~~(F)(1) of this section shall be for activities that provide affordable housing and housing assistance to families and individuals whose incomes are equal to or less than eighty per cent of the median income for the county in which they live, as determined by the department under section 174.04 of the Revised Code.

~~(F)~~(G) In making grants, loans, loan guarantees, and loan subsidies under this section, the department and the agency shall give preference to viable projects and activities that benefit those families and individuals whose incomes are equal to or less than thirty-five per cent of the median income for the county in which they live, as determined by the department under section 174.04 of the Revised Code.

~~(G)~~(H) The department and the agency shall monitor the programs developed under this section to ensure that money granted and loaned under this section is not used in a manner that violates division (H) of section 4112.02 of the Revised Code or discriminates against families with children.

Sec. 174.06. (A) There is hereby created the housing trust fund advisory committee. The committee consists of fourteen members the governor appoints as follows to represent organizations committed to housing and housing assistance for low- and moderate-income persons:

- (1) One member to represent lenders.
- (2) One member to represent for-profit builders and developers.
- (3) One member to represent the families and individuals included in the income groups targeted for housing and housing assistance under divisions ~~(E)~~ and (F) and (G) of section 174.03 of the Revised Code.
- (4) One member to represent religious, civic, or social service organizations.
- (5) One member to represent counties.
- (6) One member to represent municipal corporations.
- (7) One member to represent townships.
- (8) One member to represent local housing authorities.
- (9) One member to represent fair housing organizations.
- (10) Three members to represent nonprofit organizations.
- (11) One member to represent real estate brokers licensed under Chapter 4735. of the Revised Code.
- (12) One member to represent the for-profit rental housing industry.

(B)(1) Terms of office are for four 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. Vacancies shall be filled in the manner prescribed for the original appointment. A member appointed to fill a vacancy occurring prior to the expiration of a term shall hold office for the remainder of that term. A member shall continue in office subsequent to the expiration of a term until a successor takes office or until a period of sixty days has elapsed, whichever occurs first.

(2) The governor may remove a member for misfeasance, malfeasance, or willful neglect of duty.

(C)(1) The committee shall select a chairperson from among its members. The committee shall meet at least once each calendar year and upon the call of the chair. Members of the committee serve without compensation, but shall be reimbursed for reasonable and necessary expenses incurred in the discharge of duties.

(2) The department of development shall provide the committee with a meeting place, supplies, and staff assistance as the committee requests.

(D) The committee shall assist the department and the Ohio housing finance agency in defining housing needs and priorities, recommend to the department and agency at least annually how the programs developed under section 174.02 of the Revised Code should be designed to most effectively benefit low- and moderate-income persons, consider an allocation of funds for projects of fifteen units or less, and advise the director of development on whether and how to reallocate money in the low- and moderate-income housing trust fund under division (B) of section 174.02 of the Revised Code.

Sec. 183.01. As used in this chapter:

(A) "Tobacco master settlement agreement" means the settlement agreement (and related documents) entered into on November 23, 1998 by the state and leading United States tobacco product manufacturers.

~~(B) "Net amounts credited to the tobacco master settlement agreement fund" means all amounts credited to the tobacco master settlement agreement fund during a fiscal year, minus all amounts required to be transferred under section 183.02 of the Revised Code to the education facilities trust fund, the education facilities endowment fund, and the income tax reduction fund during the fiscal year. In addition, in fiscal year 2000, "net amounts credited to the tobacco master settlement agreement fund" does not include amounts credited to the tobacco use prevention and cessation trust fund, law enforcement improvements trust fund, and southern Ohio agricultural and community development trust fund from the first payment received that year.~~

~~(C)~~ "Southern Ohio" includes any county in this state where tobacco has traditionally been grown.

Sec. 183.021. (A) No money from the tobacco master settlement agreement fund, as that fund existed prior to the repeal of section 183.02 of the Revised Code by H.B. 119 of the 127th general assembly, shall be expended to do any of the following:

(1) Hire an executive agency lobbyist, as defined under section 121.60 of the Revised Code, or a legislative agent, as defined under section 101.70 of the Revised Code;

(2) Support or oppose candidates, ballot questions, referendums, or ballot initiatives.

(B) Nothing in this section prohibits any of the following from advocating on behalf of the specific objectives of a program funded under this chapter:

(1) The members of the board of trustees, executive director, or employees of the tobacco use prevention and control foundation;

(2) The members of the board of trustees, executive director, or employees of the southern Ohio agricultural and community development foundation;

(3) The members or employees of the third frontier commission or the members of the third frontier advisory board.

Sec. 183.061. The board of trustees of the tobacco use prevention and control foundation may form a nonprofit corporation pursuant to Chapter 1702. of the Revised Code for the purpose of raising money to aid the foundation in the conduct of its duties under Chapter 183. of the Revised Code.

Sec. 183.17. The fiscal year of the southern Ohio agricultural and community development foundation shall be the same as the fiscal year of the state.

Within ninety days after the end of each fiscal year, the foundation shall submit to the governor and the general assembly both of the following:

(A) A report of the activities of the foundation during the preceding fiscal year. The report shall also contain an independent evaluation of the progress being made by the foundation in carrying out its duties.

(B) A financial report of the foundation for the preceding year, which shall include both:

(1) Information on the amount and percentage of overhead and administrative expenditures compared to programmatic expenditures;

(2) An independent auditor's report on the basic financial statements and required supplementary information of the foundation. Such financial statements shall be prepared in conformity with generally accepted accounting principles prescribed for governmental entities.

On or before July 1, 2010, the foundation shall report to the governor and the general assembly on the progress that the foundation has made in replacing the production of tobacco in southern Ohio with the production of other agricultural products and in mitigating the adverse economic impact of reduced tobacco production in the region. ~~If the foundation concludes that a need for additional funding still exists, the foundation may request that provision be made for a portion of the payments credited to the tobacco master settlement agreement fund to continue to be transferred to the southern Ohio agricultural and community development trust fund.~~

Sec. 183.33. No money shall be appropriated or transferred from the general revenue fund to the ~~tobacco master settlement agreement fund~~, tobacco use prevention and cessation trust fund, tobacco use prevention and control endowment fund, law enforcement improvements trust fund, southern Ohio agricultural and community development trust fund, southern Ohio agricultural and community development foundation endowment fund, Ohio's public health priorities trust fund, biomedical research and technology transfer trust fund, education facilities trust fund, ~~education facilities endowment fund~~, or education technology trust fund. In addition, no money shall be otherwise appropriated or transferred from the general revenue fund for the use of the tobacco use prevention and control foundation ~~or the southern Ohio agricultural and community development foundation~~.

Sec. 183.34. There is hereby created in the state treasury the tobacco settlement oversight, administration, and enforcement fund, ~~to~~ which shall ~~be credited~~ consist of amounts transferred under division (I) of section 183.02 of the Revised Code prior to the repeal of that section by H.B. 119 of the 127th general assembly. The attorney general shall use the fund to pay costs incurred in the oversight, administration, and enforcement of the tobacco master settlement agreement.

Sec. 183.35. There is hereby created in the state treasury the tobacco settlement enforcement fund, ~~to~~ which shall ~~be credited~~ consist of amounts transferred under division (J) of section 183.02 of the Revised Code prior to the repeal of that section by H.B. 119 of the 127th general assembly. The tax commissioner shall use the fund to pay costs incurred in the enforcement of divisions (F) and (G) of section 5743.03 of the Revised Code.

Sec. 183.51. (A) As used in this section and in the applicable bond proceedings unless otherwise provided:

(1) "Bond proceedings" means the resolutions, orders, indentures, purchase and sale and trust and other agreements including any amendments or supplements to them, and credit enhancement facilities, and amendments

and supplements to them, or any one or more or combination of them, authorizing, awarding, or providing for the terms and conditions applicable to or providing for the security or liquidity of, the particular obligations, and the provisions contained in those obligations.

(2) "Bond service fund" means the bond service fund created in the bond proceedings for the obligations.

(3) "Capital facilities" means, as applicable, capital facilities or projects as referred to in section 151.03 or 151.04 of the Revised Code.

(4) "Consent decree" means the consent decree and final judgment entered November 25, 1998, in the court of common pleas of Franklin county, Ohio, as the same may be amended or supplemented from time to time.

(5) "Cost of capital facilities" has the same meaning as in section 151.01 of the Revised Code, as applicable.

(6) "Credit enhancement facilities," "financing costs," and "interest" or "interest equivalent" have the same meanings as in section 133.01 of the Revised Code.

(7) "Debt service" means principal, including any mandatory sinking fund or redemption requirements for retirement of obligations, interest and other accreted amounts, interest equivalent, and any redemption premium, payable on obligations. If not prohibited by the applicable bond proceedings, "debt service" may include costs relating to credit enhancement facilities that are related to and represent, or are intended to provide a source of payment of or limitation on, other debt service.

(8) "Improvement fund" means, as applicable, the school building program assistance fund created in section 3318.25 of the Revised Code and the higher education improvement fund created in section 154.21 of the Revised Code.

(9) "Issuing authority" means the buckeye tobacco settlement financing authority created in section 183.52 of the Revised Code.

(10) "Net proceeds" means amounts received from the sale of obligations, excluding amounts used to refund or retire outstanding obligations, amounts required to be deposited into special funds pursuant to the applicable bond proceedings, and amounts to be used to pay financing costs.

(11) "Obligations" means bonds, notes, or other evidences of obligation of the issuing authority, including any appertaining interest coupons, issued by the issuing authority under this section and Section 2i of Article VIII, Ohio Constitution, for the purpose of providing funds to the state, in exchange for the assignment and sale described in division (B) of this

section, for the purpose of paying costs of capital facilities for: (a) housing branches and agencies of state government limited to facilities for a system of common schools throughout the state and (b) state-supported or state-assisted institutions of higher education.

(12) "Pledged receipts" means, as and to the extent provided for in the applicable bond proceedings:

(a) Pledged tobacco settlement receipts;

(b) Accrued interest received from the sale of obligations;

(c) Income from the investment of the special funds;

(d) Additional or any other specific revenues or receipts lawfully available to be pledged, and pledged, pursuant to the bond proceedings, including but not limited to amounts received under credit enhancement facilities, to the payment of debt service.

(13) "Pledged tobacco settlement receipts" means all amounts received by the issuing authority pursuant to division (B) of this section.

(14) "Principal amount" means the aggregate of the amount as stated or provided for in the applicable bond proceedings as the amount on which interest or interest equivalent on particular obligations is initially calculated. "Principal amount" does not include any premium paid to the issuing authority by the initial purchaser of the obligations. "Principal amount" of a capital appreciation bond, as defined in division (C) of section 3334.01 of the Revised Code, means its original face amount and not its accreted value, and "principal amount" of a zero coupon bond, as defined in division (J) of section 3334.01 of the Revised Code, means the discounted offering price at which the bond is initially sold to the public, disregarding any purchase price discount to the original purchaser, if provided in or for pursuant to the bond proceedings.

(15) "Special funds" or "funds," unless the context indicates otherwise, means the bond service fund, and any other funds, including any reserve funds, created under the bond proceedings and stated to be special funds in those proceedings, including moneys and investments, and earnings from investments, credited and to be credited to the particular fund. "Special funds" does not include any improvement fund or investment earnings on amounts in any improvement fund, or other funds created by the bond proceedings that are not stated by those proceedings to be special funds.

(B) The state may assign and sell to the issuing authority, and the issuing authority may accept and purchase, all or a portion of the amounts to be received by the state under the tobacco master settlement agreement for a purchase price payable by the issuing authority to the state consisting of the net proceeds of obligations and any residual interest, if any. Any such

assignment and sale shall be irrevocable in accordance with its terms during the period any obligations secured by amounts so assigned and sold are outstanding under the applicable bond proceedings, and shall constitute a contractual obligation to the holders or owners of those obligations. Any such assignment and sale shall also be treated as an absolute transfer and true sale for all purposes, and not as a pledge or other security interest. The characterization of any such assignment and sale as a true sale and absolute transfer shall not be negated or adversely affected by only a portion of the amounts to be received under the tobacco master settlement agreement being transferred, the acquisition or retention by the state of a residual interest, the participation of any state officer or employee as a member or officer of, or providing staff support to, the issuing authority, any responsibility of an officer or employee of the state for collecting the amounts to be received under the tobacco master settlement agreement or otherwise enforcing that agreement or retaining any legal title to or interest in any portion of the amounts to be received under that agreement for the purpose of these collection activities, any characterization of the issuing authority or its obligations for purposes of accounting, taxation, or securities regulation, or by any other factors whatsoever. A true sale shall exist under this section regardless of whether the issuing authority has any recourse against the state or any other term of the bond proceedings or the treatment or characterization of the transfer as a financing for any purpose. Upon and following the assignment and sale, the state shall not have any right, title, or interest in the portion of the receipts under the tobacco master settlement agreement so assigned and sold, other than any residual interest that may be described in the applicable bond proceedings for those obligations, and that portion, if any, shall be the property of the issuing authority and not of the state, and shall be paid directly to the issuing authority, and shall be owned, received, held, and disbursed by the issuing authority and not by the state.

The state may covenant, pledge, and agree in the bond proceedings, with and for the benefit of the issuing authority, the holders and owners of obligations, and providers of any credit enhancement facilities, that it shall: (1) maintain statutory authority for, and cause to be collected and paid directly to the issuing authority or its assignee, the pledged receipts, (2) enforce the rights of the issuing authority to receive the receipts under the tobacco master settlement agreement assigned and sold to the issuing authority, (3) not materially impair the rights of the issuing authority to fulfill the terms of its agreements with the holders or owners of outstanding obligations under the bond proceedings, (4) not materially impair the rights and remedies of the holders or owners of outstanding obligations or

materially impair the security for those outstanding obligations, and (5) enforce Chapter 1346. of the Revised Code, the tobacco master settlement agreement, and the consent decree to effectuate the collection of the pledged tobacco settlement receipts. The bond proceedings may provide or authorize the manner for determining material impairment of the security for any outstanding obligations, including by assessing and evaluating the pledged receipts in the aggregate.

As further provided for in division (H) of this section, the bond proceedings may also include such other covenants, pledges, and agreements by the state to protect and safeguard the security and rights of the holders and owners of the obligations, and of the providers of any credit enhancement facilities, including, without limiting the generality of the foregoing, any covenant, pledge, or agreement customary in transactions involving the issuance of securities the debt service on which is payable from or secured by amounts received under the tobacco master settlement agreement. Notwithstanding any other provision of law, any covenant, pledge, and agreement of the state, if and when made in the bond proceedings, shall be controlling and binding upon, and enforceable against the state in accordance with its terms for so long as any obligations are outstanding under the applicable bond proceedings. The bond proceedings may also include limitations on the remedies available to the issuing authority, the holders and owners of the obligations, and the providers of any credit enhancement facilities, including, without limiting the generality of the foregoing, a provision that those remedies may be limited to injunctive relief in circumstances where there has been no prior determination by a court of competent jurisdiction that the state has not enforced Chapter 1346. of the Revised Code, the tobacco master settlement agreement, or the consent decree as may have been covenanted or agreed in the bond proceedings under division (B)(5) of this section.

Nothing in this section or the bond proceedings shall preclude or limit, or be construed to preclude or limit, the state from regulating or authorizing or permitting the regulation of smoking or from taxing and regulating the sale of cigarettes or other tobacco products, or from defending or prosecuting cases or other actions relating to the sale or use of cigarettes or other tobacco products. Except as otherwise may be agreed in writing by the attorney general, nothing in this section or the bond proceedings shall modify or limit, or be construed to modify or limit, the responsibility, power, judgment, and discretion of the attorney general to protect and discharge the duties, rights, and obligations of the state under the tobacco master settlement agreement, the consent decree, or Chapter 1346. of the

Revised Code.

The governor and the director of budget and management, in consultation with the attorney general, on behalf of the state, and any member or officer of the issuing authority as authorized by that issuing authority, on behalf of the issuing authority, may take any action and execute any documents, including any purchase and sale agreements, necessary to effect the assignment and sale and the acceptance of the assignment and title to the receipts including, providing irrevocable direction to the escrow agent acting under the tobacco master settlement agreement to transfer directly to the issuing authority the amounts to be received under that agreement that are subject to such assignment and sale. Any purchase and sale agreement or other bond proceedings may contain the terms and conditions established by the state and the issuing authority to carry out and effectuate the purposes of this section, including, without limitation, covenants binding the state in favor of the issuing authority and its assignees and the owners of the obligations. Any such purchase and sale agreement shall be sufficient to effectuate such purchase and sale without regard to any other laws governing other property sales or financial transactions by the state.

Not later than two years following the date on which there are no longer any obligations outstanding under the bond proceedings, all assets of the issuing authority shall vest in the state, the issuing authority shall execute any necessary assignments or instruments, including any assignment of any right, title, or ownership to the state for receipt of amounts under the tobacco master settlement agreement, and the issuing authority shall be dissolved.

(C) The issuing authority is authorized to issue and to sell obligations as provided in this section. The aggregate principal amount of obligations issued under this section shall not exceed six billion dollars, exclusive of obligations issued under division (M)(1) of this section to refund, renew, or advance refund other obligations issued or incurred. At least seventy-five per cent of the aggregate net proceeds of the obligations issued under the authority of this section, exclusive of obligations issued to refund, renew, or advance refund other obligations, shall be paid to the state for deposit into the school building program assistance fund created in section 3318.25 of the Revised Code.

(D) Each issue of obligations shall be authorized by resolution or order of the issuing authority. The bond proceedings shall provide for or authorize the manner for determining the principal amount or maximum principal amount of obligations of an issue, the principal maturity or maturities, the interest rate or rates, the date of and the dates of payment of interest on the

obligations, their denominations, and the place or places of payment of debt service which may be within or outside the state. Unless otherwise provided by law, the latest principal maturity may not be later than the earlier of the thirty-first day of December of the fiftieth calendar year after the year of issuance of the particular obligations or of the fiftieth calendar year after the year in which the original obligation to pay was issued or entered into. Sections 9.96, 9.98, 9.981, 9.982, and 9.983 of the Revised Code apply to the obligations.

The purpose of the obligations may be stated in the bond proceedings in general terms, such as, as applicable, "paying costs of capital facilities for a system of common schools" and "paying costs of facilities for state-supported and state-assisted institutions of higher education." Unless otherwise provided in the bond proceedings or in division (C) of this section, the net proceeds from the issuance of the obligations shall be paid to the state for deposit into the applicable improvement fund. In addition to the investments authorized in Chapter 135. of the Revised Code, the net proceeds held in an improvement fund may be invested by the treasurer of state in guaranteed investment contracts with providers rated at the time of any investment in the three highest rating categories by two nationally recognized rating agencies, all subject to the terms and conditions set forth in those agreements or the bond proceedings. Notwithstanding division (B)(4) of section 3318.38 of the Revised Code, net proceeds of obligations deposited into the school building program assistance fund created in section 3318.25 of the Revised Code may be used to pay basic project costs under section 3318.38 of the Revised Code at the times determined by the Ohio school facilities commission without regard to whether those expenditures are in proportion to the state's and the school district's respective shares of that basic project cost; provided that this shall not result in any change in the state or school district shares of the basic project costs provided under Chapter 3318. of the Revised Code. As used in the preceding sentence, "Ohio school facilities commission" and "basic project costs" have the same meanings as in section 3318.01 of the Revised Code.

(E) The issuing authority may, without need for any other approval, appoint or provide for the appointment of paying agents, bond registrars, securities depositories, credit enhancement providers or counterparties, clearing corporations, and transfer agents, and retain or contract for the services of underwriters, investment bankers, financial advisers, accounting experts, marketing, remarketing, indexing, and administrative agents, other consultants, and independent contractors, including printing services, as are necessary in the judgment of the issuing authority to carry out the issuing

authority's functions under this section and section 183.52 of the Revised Code. The attorney general as counsel to the issuing authority shall represent the authority in the execution of its powers and duties, and shall institute and prosecute all actions on its behalf. The issuing authority, in consultation with the attorney general, shall select counsel, and the attorney general shall appoint the counsel selected, for the purposes of carrying out the functions under this section and related sections of the Revised Code. Financing costs are payable, as may be provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other moneys available for the purpose, including as to future financing costs, from the pledged receipts.

(F) The issuing authority may irrevocably pledge and assign all, or such portion as the issuing authority determines, of the pledged receipts to the payment of the debt 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 in the bond proceedings with respect to pledged receipts as authorized by this section, which provisions are controlling notwithstanding any other provisions of law pertaining to them. Any and all pledged receipts received by the issuing authority and required by the bond proceedings, consistent with this section, to be deposited, transferred, or credited to the bond service fund, and all other money transferred or allocated to or received for the purposes of that fund, shall be deposited and credited to the bond service fund created in the bond proceedings for the obligations, subject to any applicable provisions of those bond proceedings, but without necessity for any act of appropriation. Those pledged receipts shall immediately be subject to the lien of that pledge without any physical delivery thereof or further act, and shall not be subject to other court judgments. The lien of the pledge of those pledged receipts shall be valid and binding against all parties having claims of any kind against the issuing authority, irrespective of whether those parties have notice thereof. The pledge shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code and a perfected lien for purposes of any other interest, all without the necessity for separation or delivery of funds or for the filing or recording of the applicable bond proceedings by which that pledge is created or any certificate, statement, or other document with respect thereto. The pledge of the pledged receipts shall be effective and the money therefrom and thereof may be applied to the purposes for which pledged.

(G) Obligations may be further secured, as determined by the issuing authority, by an indenture or a trust agreement between the issuing authority

and a corporate trustee, which may be any trust company or bank having a place of business within the state. Any indenture or trust agreement may contain the resolution or order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that are customary or appropriate in an agreement of that type, including, but not limited to:

(1) Maintenance of each pledge, indenture, trust agreement, or other instrument comprising part of the bond proceedings until the issuing authority has fully paid or provided for the payment of debt service on the obligations secured by it;

(2) In the event of default in any payments required to be made by the bond proceedings, enforcement of those payments or agreements by mandamus, the appointment of a receiver, suit in equity, action at law, or any combination of them;

(3) The rights and remedies of the holders or owners of obligations and of the trustee and provisions for protecting and enforcing them, including limitations on rights of individual holders and owners.

(H) The bond proceedings may contain additional provisions customary or appropriate to the financing or to the obligations or to particular obligations including, but not limited to, provisions for:

(1) The redemption of obligations prior to maturity at the option of the issuing authority or of the holder or upon the occurrence of certain conditions, and at a particular price or prices and under particular terms and conditions;

(2) The form of and other terms of the obligations;

(3) The establishment, deposit, investment, and application of special funds, and the safeguarding of moneys on hand or on deposit, in lieu of the applicability of provisions of Chapter 131. or 135. of the Revised Code, but subject to any special provisions of this section with respect to the application of particular funds or moneys. Any financial institution that acts as a depository of any moneys in special funds or other funds under the bond proceedings may furnish indemnifying bonds or pledge securities as required by the issuing authority.

(4) Any or every provision of the bond proceedings being binding upon the issuing authority and upon such governmental agency or entity, officer, board, authority, agency, department, institution, district, or other person or body as may from time to time be authorized to take actions as may be necessary to perform all or any part of the duty required by the provision;

(5) The maintenance of each pledge or instrument comprising part of the bond proceedings until the issuing authority has fully paid or provided for

the payment of the debt service on the obligations or met other stated conditions;

(6) In the event of default in any payments required to be made by the bond proceedings, or by any other agreement of the issuing authority made as part of a contract under which the obligations were issued or secured, including a credit enhancement facility, the enforcement of those payments by mandamus, a suit in equity, an action at law, or any combination of those remedial actions;

(7) The rights and remedies of the holders or owners of obligations or of book-entry interests in them, and of third parties under any credit enhancement facility, and provisions for protecting and enforcing those rights and remedies, including limitations on rights of individual holders or owners;

(8) The replacement of mutilated, destroyed, lost, or stolen obligations;

(9) The funding, refunding, or advance refunding, or other provision for payment, of obligations that will then no longer be outstanding for purposes of this section or of the applicable bond proceedings;

(10) Amendment of the bond proceedings;

(11) Any other or additional agreements with the owners of obligations, and such other provisions as the issuing authority determines, including limitations, conditions, or qualifications, relating to any of the foregoing or the activities of the issuing authority in connection therewith.

The bond proceedings shall make provision for the payment of the expenses of the enforcement activity of the attorney general referred to in division (B) of this section from the amounts from the tobacco master settlement agreement assigned and sold to the issuing authority under that division or from the proceeds of obligations, or a combination thereof, which may include provision for both annual payments and a special fund providing reserve amounts for the payment of those expenses.

The issuing authority shall not, and shall covenant in the bond proceedings that it shall not, be authorized to and shall not file a voluntary petition under the United States Bankruptcy Code, 11 U.S.C. 101 et seq., as amended, or voluntarily commence any similar bankruptcy proceeding under state law including, without limitation, consenting to the appointment of a receiver or trustee or making a general or specific assignment for the benefit of creditors, and neither any public officer or any organization, entity, or other person shall authorize the issuing authority to be or become a debtor under the United States Bankruptcy Code or take any of those actions under the United States Bankruptcy Code or state law. The state hereby covenants, and the issuing authority shall covenant, with the holders or

owners of the obligations, that the state shall not permit the issuing authority to file a voluntary petition under the United States Bankruptcy Code or take any of those actions under the United States Bankruptcy Code or state law during the period obligations are outstanding and for any additional period for which the issuing authority covenants in the bond proceedings, which additional period may, but need not, be a period of three hundred sixty-seven days or more.

(I) The obligations requiring execution by or for the issuing authority shall be signed as provided in the bond proceedings, and may bear the official seal of the issuing authority or a facsimile thereof. Any obligation may be signed by the individual who, on the date of execution, is the authorized signer even though, on the date of the obligations, that individual is not an authorized signer. In case the individual whose signature or facsimile signature appears on any obligation ceases to be an authorized signer before delivery of the obligation, that signature or facsimile is nevertheless valid and sufficient for all purposes as if that individual had remained the authorized signer until delivery.

(J) Obligations are investment securities under Chapter 1308. of the Revised Code. Obligations may be issued in bearer or in registered form, registrable as to principal alone or as to both principal and interest, or both, or in certificated or uncertificated form, as the issuing authority determines. Provision may be made for the exchange, conversion, or transfer of obligations and for reasonable charges for registration, exchange, conversion, and transfer. Pending preparation of final obligations, the issuing authority may provide for the issuance of interim instruments to be exchanged for the final obligations.

(K) Obligations may be sold at public sale or at private sale, in such manner, and at such price at, above, or below par, all as determined by and provided by the issuing authority in the bond proceedings.

(L) Except to the extent that rights are restricted by the bond proceedings, any owner of obligations or provider of or counterparty to a credit enhancement facility may by any suitable form of legal proceedings protect and enforce any rights relating to obligations or that facility under the laws of this state or granted by the bond proceedings. Those rights include the right to compel the performance of all applicable duties of the issuing authority and the state. Each duty of the issuing authority and that issuing authority's officers, staff, and employees, and of each state entity or agency, or using district or using institution, and its officers, members, staff, or employees, undertaken pursuant to the bond proceedings, is hereby established as a duty of the entity or individual having authority to perform

that duty, specifically enjoined by law and resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The individuals who are from time to time members of the issuing authority, or their designees acting pursuant to section 183.52 of the Revised Code, or the issuing authority's officers, staff, agents, or employees, when acting within the scope of their employment or agency, shall not be liable in their personal capacities on any obligations or otherwise under the bond proceedings, or for otherwise exercising or carrying out any purposes or powers of the issuing authority.

(M)(1) Subject to any applicable limitations in division (C) of this section, the issuing authority may also authorize and provide for the issuance of:

(a) Obligations in the form of bond anticipation notes, and may authorize and provide for the renewal of those notes from time to time by the issuance of new notes. The holders of notes or appertaining interest coupons have the right to have debt service on those notes paid solely from the moneys and special funds, and all or any portion of the pledged receipts, that are or may be pledged to that payment, including the proceeds of bonds or renewal notes or both, as the issuing authority provides in the bond proceedings authorizing the notes. Notes may be additionally secured by covenants of the issuing authority to the effect that the issuing authority will do all things necessary for the issuance of bonds or renewal notes in such principal amount and upon such terms as may be necessary to provide moneys to pay when due the debt service on the notes, and apply their proceeds to the extent necessary, to make full and timely payment of debt service on the notes as provided in the applicable bond proceedings. In the bond proceedings authorizing the issuance of bond anticipation notes the issuing authority shall set forth for the bonds anticipated an estimated schedule of annual principal payments the latest of which shall be no later than provided in division (D) of this section. While the notes are outstanding there shall be deposited, as shall be provided in the bond proceedings for those notes, from the sources authorized for payment of debt service on the bonds, amounts sufficient to pay the principal of the bonds anticipated as set forth in that estimated schedule during the time the notes are outstanding, which amounts shall be used solely to pay the principal of those notes or of the bonds anticipated.

(b) 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 under this section and any bonds or notes previously issued for the purpose of paying costs of capital

facilities for: (i) state-supported or state-assisted institutions of higher education as authorized by sections 151.01 and 151.04 of the Revised Code, pursuant to Sections 2i and 2n of Article VIII, Ohio Constitution, and (ii) housing branches and agencies of state government limited to facilities for a system of common schools throughout the state as authorized by sections 151.01 and 151.03 of the Revised Code, pursuant to Sections 2i and 2n of Article VIII, Ohio Constitution. Refunding obligations may be issued in amounts sufficient to pay or to provide for repayment of the principal amount, including principal amounts maturing prior to the redemption of the remaining prior obligations or bonds or notes, any redemption premium, and interest accrued or to accrue to the maturity or redemption date or dates, payable on the prior obligations or bonds or notes, and related financing costs and any expenses incurred or to be incurred in connection with that issuance and refunding. Subject to the applicable bond proceedings, the portion of the proceeds of the sale of refunding obligations issued under division (M)(1)(b) of this section to be applied to debt service on the prior obligations or bonds or notes shall be credited to an appropriate separate account in the bond service fund and held in trust for the purpose by the issuing authority or by a corporate trustee, and may be invested as provided in the bond proceedings. Obligations authorized under this division shall be considered to be issued for those purposes for which the prior obligations or bonds or notes were issued.

(2) The principal amount of refunding, advance refunding, or renewal obligations issued pursuant to division (M) of this section shall be in addition to the amount authorized in division (C) of this section.

(N) Obligations are lawful investments for banks, savings and loan associations, credit union share guaranty corporations, 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 the state and political subdivisions and taxing districts of this state, notwithstanding any other provisions of the Revised Code or rules adopted pursuant to those provisions by any state agency with respect to investments by them, and are also acceptable as security for the repayment of the deposit of public moneys. The exemptions from taxation in Ohio as provided for in particular sections of the Ohio Constitution and section 5709.76 of the Revised Code apply to the obligations.

(O)(1) Unless otherwise provided or provided for in any applicable bond proceedings, moneys to the credit of or in a special fund shall be disbursed on the order of the issuing authority. No such order is required for

the payment, from the bond service fund or other special fund, when due of debt service or required payments under credit enhancement facilities.

(2) Payments received by the issuing authority under interest rate hedges entered into as credit enhancement facilities under this section shall be deposited as provided in the applicable bond proceedings.

(P) The obligations shall not be general obligations of the state and the full faith and credit, revenue, and taxing power of the state shall not be pledged to the payment of debt service on them or to any guarantee of the payment of that debt service. The holders or owners of the obligations shall have no right to have any moneys obligated or pledged for the payment of debt service except as provided in this section and in the applicable bond proceedings. The rights of the holders and owners to payment of debt service are limited to all or that portion of the pledged receipts, and those special funds, pledged to the payment of debt service pursuant to the bond proceedings in accordance with this section, and each obligation shall bear on its face a statement to that effect.

(Q) Each bond service fund is a trust fund and is hereby pledged to the payment of debt service on the applicable obligations. Payment of that debt service shall be made or provided for by the issuing authority in accordance with the bond proceedings without necessity for any act of appropriation. The bond proceedings may provide for the establishment of separate accounts in the bond service fund and for the application of those accounts only to debt service on specific obligations, and for other accounts in the bond service fund within the general purposes of that fund.

(R) Subject to the bond proceedings pertaining to any obligations then outstanding in accordance with their terms, the issuing authority may in the bond proceedings pledge all, or such portion as the issuing authority determines, of the moneys in the bond service fund to the payment of debt service on particular obligations, and for the establishment and maintenance of any reserves for payment of particular debt service.

(S)(1) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of special funds may be invested by or on behalf of the issuing authority only in one or more of the following:

(a) Notes, bonds, or other direct obligations of the United States or of any agency or instrumentality of the United States, or in no-front-end-load money market mutual funds consisting exclusively of those obligations, or in repurchase agreements, including those issued by any fiduciary, secured by those obligations, or in collective investment funds consisting exclusively of those obligations;

(b) Obligations of this state or any political subdivision of this state;

(c) 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;

(d) The treasurer of state's pooled investment program under section 135.45 of the Revised Code;

(e) Other investment agreements or repurchase agreements that are consistent with the ratings on the obligations.

(2) The income from investments referred to in division (S)(1) of this section shall be credited to special funds or otherwise as the issuing authority determines in the bond proceedings. Those investments may be sold or exchanged at times as the issuing authority determines, provides for, or authorizes.

(T) The treasurer of state shall have responsibility for keeping records, making reports, and making payments, relating to any arbitrage rebate requirements under the applicable bond proceedings.

(U) The issuing authority shall make quarterly reports to the general assembly of the amounts in, and activities of, each improvement fund, including amounts and activities on the subfund level. Each report shall include a detailed description and analysis of the amount of proceeds remaining in each fund from the sale of obligations pursuant to this section, and any other deposits, credits, interest earnings, disbursements, expenses, transfers, or activities of each fund.

(V) The costs of the annual audit of the authority conducted pursuant to section 117.112 of the Revised Code are payable, as may be provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other moneys available for the purpose, including as to future financing costs, from the pledged receipts.

Sec. 183.52. (A) There is hereby created a body, both corporate and politic, constituting a public body, agency, and instrumentality of this state and performing essential functions of the state, to be known as the buckeye tobacco settlement financing authority, which in that name may contract and be contracted with, sue and be sued, and exercise all other authority vested in that authority by this section and section 183.51 of the Revised Code. The authority is created for the sole purpose of purchasing and receiving any assignment of the tobacco settlement receipts and issuing obligations, all as provided for in section 183.51 of the Revised Code, to provide financing of essential functions and facilities. The property of the authority and its income and operations shall be exempt from taxation involving the state or by the state and any political subdivision of the state. All income of the authority, after the payment of necessary expenses, shall accrue to the state.

(B) The authority shall consist of, in each case ex officio, the governor, the director of budget and management, and the treasurer of state. The governor shall serve as the chair of the authority, the director of budget and management shall serve as its secretary, and the authority shall have such other officers as it determines, who may but need not be members of the authority. Two members of the authority constitute a quorum and the affirmative vote of two members is 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. Each of the members above identified may designate an employee or officer of their office to attend meetings of the authority when that member is absent or unable for any reason to attend and that designee, when present, shall be counted in determining whether a quorum is present at any meeting and may vote and participate in all proceedings and actions of the authority. A designee may not execute or cause a facsimile signature to be placed on any obligation. That designation shall be in writing, executed by the designating member, and be filed with the secretary of the authority. A designation may be changed from time to time by a similar written designation. The authority may delegate to such of its members, officers, employees, or staff as it determines those powers and duties as it deems appropriate. No member of the authority or designee shall, by reason of being or serving as a member of the authority, be required to abstain from action in any other capacity as an incumbent of a state office or position or from any action as a member of the authority in any matter affecting or in any way pertaining to both that office or position and the authority, or for any purpose be deemed to be disqualified from either such office or position or as a member of the authority by reason of so acting or to have violated any law by reason thereof. The authority may adopt and alter bylaws and rules for the conduct of its affairs, including provisions for meetings, and for the manner in which its powers and functions are to be exercised and embodied, and may adopt and alter at will an official seal to be affixed to official documents, provided that the failure to affix any such seal shall not affect the legality of such documents. Members of the authority shall receive no added compensation for their services as such members but may be reimbursed, as determined by the authority, for their necessary and actual expenses incurred in the conduct of the authority's business. The office of budget and management shall provide staff support to the authority.

Notwithstanding the existence of common management, the authority shall be treated and accounted for as a separate and independent legal entity

with its separate purposes as set forth in this section and section 183.51 of the Revised Code. The assets, liabilities, and funds of the authority shall not be consolidated or commingled with those of the state, and contracts entered into by the authority shall be entered into in the name of the authority and not in the name of the state.

The authority shall prepare annually an operating and financial statement covering the authority's operations for the preceding fiscal year.

(C) In connection with the exercise of its powers pursuant to this section and section 183.51 of the Revised Code, the authority may enter into contracts and execute all instruments necessary or incidental to the performance of the issuing authority's duties and the execution of the issuing authority's powers and do all other acts necessary or proper to the fulfillment of the issuing authority's purposes and to carry out the powers expressly granted in this section and section 183.51 of the Revised Code. The authority is subject to sections 121.22 and 149.43 of the Revised Code.

(D) Unless otherwise provided in Article IV of the Ohio Constitution, any action, suit, or special proceeding brought against the issuing authority or the state concerning or relating to the bond proceedings, section 183.51 of the Revised Code, or this section, shall be filed and determined in the court of claims under Chapter 2743. of the Revised Code. Any special proceeding brought against the issuing authority or the state in which the court of appeals has original jurisdiction shall be filed and determined in the court of appeals of Franklin county. Any such action or proceeding to which the issuing authority or the state is a party shall be preferred over all other civil causes of action or cases, except election causes of action or cases, irrespective of position on the calendar.

Sec. 305.31. The procedure for submitting to a referendum a resolution adopted by a board of county commissioners under division (H) of section 307.695 of the Revised Code that is not submitted to the electors of the county for their approval or disapproval; any resolution adopted by a board of county commissioners pursuant to division (D)(1) of section 307.697, section 322.02, 322.06, or 324.02, sections 1515.22 and 1515.24, division (B)(1) of section 4301.421, section 4504.02, 5739.021, or 5739.026, division (A)(6) of section 5739.09, section 5741.021; or 5741.023, or division (C)(1) of section 5743.024 of the Revised Code; or a rule adopted pursuant to section 307.79 of the Revised Code shall be as prescribed by this section.

Except as otherwise provided in this paragraph, when a petition, signed by ten per cent of the number of electors who voted for governor at the most recent general election for the office of governor in the county, is filed with

the county auditor within thirty days after the date the resolution is passed or rule is adopted by the board of county commissioners, or is filed within forty-five days after the resolution is passed, in the case of a resolution adopted pursuant to section 5739.021 of the Revised Code that is passed within one year after a resolution adopted pursuant to that section has been rejected or repealed by the electors, requesting that the resolution be submitted to the electors of the county for their approval or rejection, the county auditor shall, after ten days following the filing of the petition, and not later than four p.m. of the seventy-fifth day before the day of election, transmit a certified copy of the text of the resolution or rule to the board of elections. In the case of a petition requesting that a resolution adopted under division (D)(1) of section 307.697, division (B)(1) of section 4301.421, or division (C)(1) of section 5743.024 of the Revised Code be submitted to electors for their approval or rejection, the petition shall be signed by seven per cent of the number of electors who voted for governor at the most recent election for the office of governor in the county. The county auditor shall transmit the petition to the board together with the certified copy of the resolution or rule. The board shall examine all signatures on the petition to determine the number of electors of the county who signed the petition. The board shall return the petition to the auditor within ten days after receiving it, together with a statement attesting to the number of such electors who signed the petition. The board shall submit the resolution or rule to the electors of the county, for their approval or rejection, at the succeeding general election held in the county in any year, or on the day of the succeeding primary election held in the county in even-numbered years, occurring subsequent to seventy-five days after the auditor certifies the sufficiency and validity of the petition to the board of elections.

No resolution shall go into effect until approved by the majority of those voting upon it. However, a rule shall take effect and remain in effect unless and until a majority of the electors voting on the question of repeal approve the repeal. Sections 305.31 to 305.41 of the Revised Code do not prevent a county, after the passage of any resolution or adoption of any rule, from proceeding at once to give any notice or make any publication required by the resolution or rule.

The board of county commissioners shall make available to any person, upon request, a certified copy of any resolution or rule subject to the procedure for submitting a referendum under sections 305.31 to 305.42 of the Revised Code beginning on the date the resolution or rule is adopted by the board. The board may charge a fee for the cost of copying the resolution or rule.

As used in this section, "certified copy" means a copy containing a written statement attesting that it is a true and exact reproduction of the original resolution or rule.

Sec. 307.672. (A) As used in this section:

(1) "Bonds" means general obligation bonds, or notes in anticipation thereof, of the county described in division (B)(1)(b) of this section, and general obligation bonds, or notes in anticipation thereof, of the host municipal corporation described in division (B)(2)(a) of this section.

(2) "Corporation" means a nonprofit corporation that is organized under the laws of this state and that includes within the purposes for which it is incorporated the authorization to lease and operate facilities such as a municipal educational and cultural facility.

(3) "Debt service charges" means, for any period or payable at any time, the principal of and interest and any premium due on bonds for that period or payable at that time whether due at maturity or upon mandatory redemption, together with any required deposits to reserves for the payment of principal of and interest on such bonds.

(4) "Host municipal corporation" means the municipal corporation within the boundaries of which a municipal educational and cultural facility is or will be located.

(5) "Municipal educational and cultural facility" means a facility that may consist of a museum, archives, library, hall of fame, center for contemporary music, or other facilities necessary to provide programs of an educational, recreational, and cultural nature, together with all parking facilities, walkways, and other auxiliary facilities, real and personal property, property rights, easements, and interests that may be appropriate for, or used in connection with, the operation of the facility.

(B) The legislative authorities of a county and a host municipal corporation may enter into a cooperative agreement with a corporation, under which:

(1) The legislative authority of the county agrees to:

(a) Levy a tax under division (E) of section 5739.09 of the Revised Code, for a period not to exceed fifteen years unless extended under that division for an additional period of time, to pay the costs of acquiring, constructing, equipping, and improving a municipal educational and cultural facility, including the debt service charges on bonds;

(b) Issue bonds of the county pursuant to Chapter 133. of the Revised Code for the purpose of acquiring, constructing, equipping, and improving a municipal educational and cultural facility;

(c) Contribute revenue from the tax and the proceeds from the bonds

described in divisions (B)(1)(a) and (b) of this section to the host municipal corporation for the purpose of acquiring, constructing, equipping, and improving a municipal educational and cultural facility;

(2) The host municipal corporation agrees to:

(a) Issue bonds of the host municipal corporation pursuant to Chapter 133. of the Revised Code for the purpose of acquiring, constructing, equipping, and improving a municipal educational and cultural facility;

(b) Acquire, construct, equip, and improve a municipal educational and cultural facility;

(c) Accept from the county pursuant to the cooperative agreement the revenues of the tax and the proceeds of the bonds described in divisions (B)(1)(a) and (b) of this section;

(d) Lease a municipal educational and cultural facility to the corporation, or contract with the corporation for the operation and maintenance of the facility;

(e) To the extent provided for in the cooperative agreement or the lease or contract with the corporation, authorize the corporation to administer on behalf of the host municipal corporation the contracts for acquiring, constructing, equipping, and improving a municipal educational and cultural facility.

(3) The corporation agrees to:

(a) Either lease the municipal educational and cultural facility from the host municipal corporation and operate and maintain the facility pursuant to the lease, or enter into a contract with the host municipal corporation pursuant to which the corporation shall operate and maintain the facility on behalf of the host municipal corporation;

(b) To the extent provided for in the cooperative agreement or the lease or contract with the host municipal corporation, administer on behalf of the host municipal corporation the contracts for acquiring, constructing, equipping, or improving a municipal educational and cultural facility.

(C) A tax levied pursuant to division (E) of section 5739.09 of the Revised Code, the revenue from which is to be used to pay debt service charges on bonds described in division (B)(1) or (2) of this section is not subject to diminution by initiative or referendum or diminution by statute, unless provision is made therein for an adequate substitute therefor reasonably satisfactory to the legislative authorities of the host municipal corporation and the county.

(D) The legislative authorities of a county and a host municipal corporation that have entered into a cooperative agreement with a corporation pursuant to division (B) of this section may amend that

cooperative agreement, with the participation of the corporation and a port authority as defined in section 307.674 of the Revised Code, to provide also for a port authority educational and cultural performing arts facility in accordance with section 307.674 of the Revised Code. Such an amendment shall become effective only to the extent that the tax levied under division (E) of section 5739.09 of the Revised Code is not needed for the duration of the original tax to pay costs of the municipal educational and cultural facility, including debt service charges on related bonds, as determined by the parties to the amendment. The tax may be pledged and paid by the parties to the amendment for the balance of the duration of the tax to a port authority educational and cultural performing arts facility.

Sec. 307.695. (A) As used in this section:

(1) "Arena" means any structure designed and constructed for the purpose of providing a venue for public entertainment and recreation by the presentation of concerts, sporting and athletic events, and other events and exhibitions, including facilities intended to house or provide a site for one or more athletic or sports teams or activities, spectator facilities, parking facilities, walkways, and auxiliary facilities, real and personal property, property rights, easements, leasehold estates, and interests that may be appropriate for, or used in connection with, the operation of the arena.

(2) "Convention center" means any structure expressly designed and constructed for the purposes of presenting conventions, public meetings, and exhibitions and includes parking facilities that serve the center and any personal property used in connection with any such structure or facilities.

(3) "Eligible county" means a county having a population of at least four hundred thousand but not more than eight hundred thousand according to the 2000 federal decennial census and that directly borders the geographic boundaries of another state.

(4) "Entity" means a nonprofit corporation, a municipal corporation, a port authority created under Chapter 4582. of the Revised Code, or a convention facilities authority created under Chapter 351. of the Revised Code.

(5) "Lodging taxes" means excise taxes levied under division (A)(1), (A)(2), or (C) of section 5739.09 of the Revised Code and the revenues arising therefrom.

(6) "Nonprofit corporation" means a nonprofit corporation that is organized under the laws of this state and that includes within the purposes for which it is incorporated the authorization to lease and operate facilities such as a convention center or an arena or a combination of an arena and convention center.

(7) "Project" means acquiring, constructing, reconstructing, renovating, rehabilitating, expanding, adding to, equipping, furnishing or otherwise improving an arena, a convention center, or a combination of an arena and convention center. For purposes of this section, a project is a permanent improvement for one purpose under Chapter 133. of the Revised Code.

(8) "Project revenues" means money received by ~~an eligible~~ a county with a population greater than four hundred thousand wherein the population of the largest city comprises more than one-third of that county's population, other than money from taxes or from the proceeds of securities secured by taxes, in connection with, derived from, related to, or resulting from a project, including, but not limited to, rentals and other payments received under a lease or agreement with respect to the project, ticket charges or surcharges for admission to events at a project, charges or surcharges for parking for events at a project, charges for the use of a project or any portion of a project, including suites and seating rights, the sale of naming rights for the project or a portion of the project, unexpended proceeds of any county revenue bonds issued for the project, and any income and profit from the investment of the proceeds of any such revenue bonds or any project revenues.

(9) "Chapter 133. securities," "debt charges," "general obligation," "legislation," "one purpose," "outstanding," "permanent improvement," "person," and "securities" have the meanings given to those terms in section 133.01 of the Revised Code.

(B) A board of county commissioners may enter into an agreement with a convention and visitors' bureau operating in the county under which:

(1) The bureau agrees to construct and equip a convention center in the county and to pledge and contribute from the tax revenues received by it under division (A) of section 5739.09 of the Revised Code, not more than such portion thereof that it is authorized to pledge and contribute for the purpose described in division (C) of this section; and

(2) The board agrees to levy a tax under division (C) of section 5739.09 of the Revised Code and pledge and contribute the revenues therefrom for the purpose described in division (C) of this section.

(C) The purpose of the pledges and contributions described in divisions (B)(1) and (2) of this section is payment of principal, interest, and premium, if any, on bonds and notes issued by or for the benefit of the bureau to finance the construction and equipping of a convention center. The pledges and contributions provided for in the agreement shall be for the period stated in the agreement. Revenues determined from time to time by the board to be needed to cover the real and actual costs of administering the tax imposed

by division (C) of section 5739.09 of the Revised Code may not be pledged or contributed. The agreement shall provide that any such bonds and notes shall be secured by a trust agreement between the bureau or other issuer acting for the benefit of the bureau and a corporate trustee that is a trust company or bank having the powers of a trust company within or without the state, and the trust agreement shall pledge or assign to the retirement of the bonds or notes, all moneys paid by the county under this section. A tax the revenues from which are pledged under an agreement entered into by a board of county commissioners under this section shall not be subject to diminution by initiative or referendum, or diminution by statute, unless provision is made therein for an adequate substitute therefor reasonably satisfactory to the trustee under the trust agreement that secures the bonds and notes.

(D) A pledge of money by a county under division (B) of this section shall not be indebtedness of the county for purposes of Chapter 133. of the Revised Code.

(E) If the terms of the agreement so provide, the board of county commissioners may acquire and lease real property to the convention bureau as the site of the convention center. The lease shall be on such terms as are set forth in the agreement. The purchase and lease are not subject to the limitations of sections 307.02 and 307.09 of the Revised Code.

(F) In addition to the authority granted to a board of county commissioners under divisions (B) to (E) 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 constructing and equipping, or a county with a population greater than four hundred thousand wherein the population of the largest city comprises more than one-third of that county's population, may purchase, for cash or by installment payments, enter into lease-purchase agreements for, lease with an option to purchase, lease, construct, enlarge, improve, rebuild, equip, or furnish~~ a convention center.

(G) The board of county commissioners of ~~an eligible~~ a county with a population greater than four hundred thousand wherein the population of the largest city comprises more than one-third of that county's population may undertake, finance, operate, and maintain a project. The board may lease a project to an entity on terms that the board determines to be in the best interest of the county and in furtherance of the public purpose of the project; the lease may be for a term of thirty-five years or less and may provide for an option of the entity to renew the lease for a term of thirty-five years or less. The board may enter into an agreement with an entity with respect to a

project on terms that the board determines to be in the best interest of the county and in furtherance of the public purpose of the project. To the extent provided for in an agreement or a lease with an entity, the board may authorize the entity to administer on behalf of the board any contracts for the project. The board may enter into an agreement providing for the sale to a person of naming rights to a project or portion of a project, for a period, for consideration, and on other terms and conditions that the board determines to be in the best interest of the county and in furtherance of the public purpose of the project. The board may enter into an agreement with a person owning or operating a professional athletic or sports team providing for the use by that person of a project or portion of a project for that team's offices, training, practices, and home games for a period, for consideration, and on other terms and conditions that the board determines to be in the best interest of the county and in furtherance of the public purpose of the project. The board may establish ticket charges or surcharges for admission to events at a project, charges or surcharges for parking for events at a project, and charges for the use of a project or any portion of a project, including suites and seating rights, and may, as necessary, enter into agreements related thereto with persons for a period, for consideration, and on other terms and conditions that the board determines to be in the best interest of the county and in furtherance of the public purpose of the project. A lease or agreement authorized by this division is not subject to sections 307.02, 307.09, and 307.12 of the Revised Code.

(H) Notwithstanding any contrary provision in Chapter 5739. of the Revised Code, after adopting a resolution declaring it to be in the best interest of the county to undertake a project as described in division (G) of this section, the board of county commissioners of an eligible county may adopt a resolution enacting or increasing any lodging taxes within the limits specified in Chapter 5739. of the Revised Code with respect to those lodging taxes and amending any prior resolution under which any of its lodging taxes have been imposed in order to provide that those taxes, after deducting the real and actual costs of administering the taxes and any portion of the taxes returned to any municipal corporation or township as provided in division (A)(1) of section 5739.09 of the Revised Code, shall be used by the board for the purposes of undertaking, financing, operating, and maintaining the project, including paying debt charges on any securities issued by the board under division (I) of this section, or to make contributions to the convention and visitors' bureau operating within the county, or to promote, advertise, and market the region in which the county is located, all as the board may determine and make appropriations for from time to time, subject

to the terms of any pledge to the payment of debt charges on outstanding general obligation securities or special obligation securities authorized under division (I) of this section. A resolution adopted under division (H) of this section shall be adopted not earlier than January 15, 2007, and not later than January 15, 2008.

A resolution adopted under division (H) of this section may direct the board of elections to submit the question of enacting or increasing lodging taxes, as the case may be, to the electors of the county at a special election held on the date specified by the board in the resolution, provided that the election occurs not less than seventy-five days after a certified copy of the resolution is transmitted to the board of elections and no later than January 15, 2008. A resolution submitted to the electors under this division shall not go into effect unless it is approved by a majority of those voting upon it. A resolution adopted under division (H) of this section that is not submitted to the electors of the county for their approval or disapproval is subject to a referendum as provided in sections 305.31 to 305.41 of the Revised Code.

A resolution adopted under division (H) of this section takes effect upon its adoption, unless the resolution is submitted to the electors of the county for their approval or disapproval, in which case the resolution takes effect on the date the board of county commissioners receives notification from the board of elections of the affirmative vote. Lodging taxes received after the effective date of the resolution may be used for the purposes described in division (H) of this section, except that lodging taxes that have been pledged to the payment of debt charges on any bonds or notes issued by or for the benefit of a convention and visitors' bureau under division (C) of this section shall be used exclusively for that purpose until such time as the bonds or notes are no longer outstanding under the trust agreement securing those bonds or notes.

(I)(1) The board of county commissioners of ~~an eligible~~ a county with a population greater than four hundred thousand wherein the population of the largest city comprises more than one-third of that county's population may issue the following securities of the county for the purpose of paying costs of the project, refunding any outstanding county securities issued for that purpose, refunding any outstanding bonds or notes issued by or for the benefit of the bureau under division (C) of this section, or for any combination of those purposes:

(a) General obligation securities issued under Chapter 133. of the Revised Code. The resolution authorizing these securities may include covenants to appropriate annually from lawfully available lodging taxes, and to continue to levy and collect those lodging taxes in, amounts necessary to

meet the debt charges on those securities.

(b) Special obligation securities issued under Chapter 133. of the Revised Code that are secured only by lawfully available lodging taxes and any other taxes and revenues pledged to pay the debt charges on those securities, except ad valorem property taxes. The resolution authorizing those securities shall include a pledge of and covenants to appropriate annually from lawfully available lodging taxes and any other taxes and revenues pledged for such purpose, and to continue to collect any of those revenues pledged for such purpose and to levy and collect those lodging taxes and any other taxes pledged for such purpose, in amounts necessary to meet the debt charges on those securities. The pledge is valid and binding from the time the pledge is made, and the lodging taxes so pledged and thereafter received by the county are immediately subject to the lien of the pledge without any physical delivery of the lodging taxes or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the county, regardless of whether such parties have notice of the lien. Neither the resolution nor any trust agreement by which a pledge is created or further evidenced is required to be filed or recorded except in the records of the board. The special obligation securities shall contain a statement on their face to the effect that they are not general obligation securities, and, unless paid from other sources, are payable from the pledged lodging taxes.

(c) Revenue securities authorized under section 133.08 of the Revised Code and issued under Chapter 133. of the Revised Code that are secured only by lawfully available project revenues pledged to pay the debt charges on those securities.

(2) The securities described in division (I)(1) of this section are subject to Chapter 133. of the Revised Code.

(3) Section 133.34 of the Revised Code, except for division (A) of that section, applies to the issuance of any refunding securities authorized under this division. In lieu of division (A) of section 133.34 of the Revised Code, the board of county commissioners shall establish the maturity date or dates, the interest payable on, and other terms of refunding securities as it considers necessary or appropriate for their issuance, provided that the final maturity of refunding securities shall not exceed by more than ten years the final maturity of any bonds refunded by refunding securities.

(4) The board may not repeal, rescind, or reduce all or any portion of any lodging taxes pledged to the payment of debt charges on any outstanding special obligation securities authorized under this division, and no portion of any lodging taxes that is pledged, or that the board has

covenanted to levy, collect, and appropriate annually to pay debt charges on any outstanding securities authorized under this division is subject to repeal, rescission, or reduction by the electorate of the county.

Sec. 307.98. ~~Boards~~ As used in this section, "county grantee" has the same meaning as in section 5101.21 of the Revised Code.

Each board of county commissioners ~~may~~ and each other county grantee of the county shall jointly enter into one or more written ~~fiscal grant~~ agreements with the director of job and family services in accordance with section 5101.21 of the Revised Code. ~~If a board enters into a fiscal agreement, the~~ The board of county commissioners shall enter into the agreement on behalf of the county family services agencies, other than a county family services agency that is a county ~~signer as defined in section 5101.21 of the Revised Code~~ grantee.

Sec. 307.981. (A)(1) As used in the Revised Code:

(a) "County family services agency" means all of the following:

- (i) A child support enforcement agency;
- (ii) A county department of job and family services;
- (iii) A public children services agency.

(b) "Family services duty" means a duty state law requires or allows a county family services agency to assume, including financial and general administrative duties. "Family services duty" does not include a duty funded by the United States department of labor.

(2) As used in sections 307.981 to 307.989 of the Revised Code, "private entity" means an entity other than a government entity.

(B) To the extent permitted by federal law, including, when applicable, subpart F of 5 C.F.R. part 900, and subject to any limitations established by the Revised Code, including division (H) of this section, a board of county commissioners may designate any private or government entity within this state to serve as any of the following:

- (1) A child support enforcement agency;
- (2) A county department of job and family services;
- (3) A public children services agency;
- (4) A county department of job and family services and one other of those county family services agencies;
- (5) All three of those county family services agencies.

(C) To the extent permitted by federal law, including, when applicable, subpart F of 5 C.F.R. part 900, and subject to any limitations of the Revised Code, including division (H) of this section, a board of county commissioners may change the designation it makes under division (B) of this section by designating another private or government entity.

(D) If a designation under division (B) or (C) of this section constitutes a change from the designation in a ~~fiscal grant~~ agreement between the director of job and family services and the board under sections 307.98 and 5101.21 of the Revised Code, the director may require that the director and board amend the ~~fiscal grant~~ agreement and that the board provide the director written assurances that the newly designated private or government entity will meet or exceed all requirements of the family services duties the entity is to assume.

(E) Not less than sixty days before a board of county commissioners designates an entity under division (B) or (C) of this section, the board shall notify the director of job and family services and publish notice in a newspaper of general circulation in the county of the board's intention to make the designation and reasons for the designation.

(F) A board of county commissioners shall enter into a written contract with each entity it designates under division (B) or (C) of this section specifying the entity's responsibilities and standards the entity is required to meet.

(G) This section does not require a board of county commissioners to abolish the child support enforcement agency, county department of job and family services, or public children services agency serving the county on October 1, 1997, and designate a different private or government entity to serve as the county's child support enforcement agency, county department of job and family services, or public children services agency.

(H) If a county children services board appointed under section 5153.03 of the Revised Code serves as a public children services agency for a county, the board of county commissioners may not redesignate the public children services agency unless the board of county commissioners does all of the following:

(1) Notifies the county children services board of its intent to redesignate the public children services agency. In its notification, the board of county commissioners shall provide the county children services board a written explanation of the administrative, fiscal, or performance considerations causing the board of county commissioners to seek to redesignate the public children services agency.

(2) Provides the county children services board an opportunity to comment on the proposed redesignation before the redesignation occurs;

(3) If the county children services board, not more than sixty days after receiving the notice under division (H)(1) of this section, notifies the board of county commissioners that the county children services board has voted to oppose the redesignation, votes unanimously to proceed with the

redesignation.

Sec. 308.04. Within sixty days after a regional airport authority has been created under section 308.03 of the Revised Code, the board of trustees for such regional airport authority shall be appointed as provided in the resolution creating it.

Each member of the board of trustees, before entering upon ~~his~~ the member's official duties, shall take and subscribe to an oath or affirmation that ~~he~~ the member will honestly, faithfully, and impartially perform the duties of ~~his~~ office, and that ~~he~~ the member will not be interested directly or indirectly in any contract let by the regional airport authority. Any contract let by the regional airport authority in which a member of the board of trustees is directly or indirectly interested is void and unenforceable.

After each member of the board has taken the oath as prescribed by this section the board shall meet and organize by electing one of its members as president and another as vice-president, who shall hold their respective offices until the next annual meeting of the board as provided in its bylaws. At each annual meeting thereafter the board shall elect from its membership a president and a vice-president who shall serve for a term of one year.

The board shall appoint and fix the compensation of a secretary-treasurer, who shall not be a member of the board and who shall serve at the pleasure of the board.

Sec. 317.08. (A) Except as provided in divisions (C) and (D) of this section, the county recorder shall keep six separate sets of records as follows:

(1) A record of deeds, in which shall be recorded all deeds and other instruments of writing for the absolute and unconditional sale or conveyance of lands, tenements, and hereditaments; all notices as provided in sections 5301.47 to 5301.56 of the Revised Code; all judgments or decrees in actions brought under section 5303.01 of the Revised Code; all declarations and bylaws, and all amendments to declarations and bylaws, as provided in Chapter 5311. of the Revised Code; affidavits as provided in sections 5301.252 and 5301.56 of the Revised Code; all certificates as provided in section 5311.17 of the Revised Code; all articles dedicating archaeological preserves accepted by the director of the Ohio historical society under section 149.52 of the Revised Code; all articles dedicating nature preserves accepted by the director of natural resources under section 1517.05 of the Revised Code; all agreements for the registration of lands as archaeological or historic landmarks under section 149.51 or 149.55 of the Revised Code; all conveyances of conservation easements and agricultural easements under section 5301.68 of the Revised Code; all instruments extinguishing

agricultural easements under section 901.21 or 5301.691 of the Revised Code or pursuant to terms of such an easement granted to a charitable organization under section 5301.68 of the Revised Code; all instruments or orders described in division (B)(2)(b) of section 5301.56 of the Revised Code; all no further action letters issued under section 122.654 or 3746.11 of the Revised Code; all covenants not to sue issued under section 3746.12 of the Revised Code, including all covenants not to sue issued pursuant to section 122.654 of the Revised Code; any restrictions on the use of property contained in a no further action letter issued under section 122.654 of the Revised Code, any restrictions on the use of property identified pursuant to division (C)(3)(a) of section 3746.10 of the Revised Code, and any restrictions on the use of property contained in a deed or other instrument as provided in division (E) or (F) of section 3737.882 of the Revised Code; any easement executed or granted under section 3734.22, 3734.24, 3734.25, or 3734.26 of the Revised Code; any environmental covenant entered into in accordance with sections 5301.80 to 5301.92 of the Revised Code; all memoranda of trust, as described in division (A) of section 5301.255 of the Revised Code, that describe specific real property; and all agreements entered into under division (A) of section ~~1521.26~~ 1506.44 of the Revised Code;

(2) A record of mortgages, in which shall be recorded all of the following:

(a) All mortgages, including amendments, supplements, modifications, and extensions of mortgages, or other instruments of writing by which lands, tenements, or hereditaments are or may be mortgaged or otherwise conditionally sold, conveyed, affected, or encumbered;

(b) All executory installment contracts for the sale of land executed after September 29, 1961, that by their terms are not required to be fully performed by one or more of the parties to them within one year of the date of the contracts;

(c) All options to purchase real estate, including supplements, modifications, and amendments of the options, but no option of that nature shall be recorded if it does not state a specific day and year of expiration of its validity;

(d) Any tax certificate sold under section 5721.33 of the Revised Code, or memorandum of it, that is presented for filing of record.

(3) A record of powers of attorney, including all memoranda of trust, as described in division (A) of section 5301.255 of the Revised Code, that do not describe specific real property;

(4) A record of plats, in which shall be recorded all plats and maps of

town lots, of the subdivision of town lots, and of other divisions or surveys of lands, any center line survey of a highway located within the county, the plat of which shall be furnished by the director of transportation or county engineer, and all drawings and amendments to drawings, as provided in Chapter 5311. of the Revised Code;

(5) A record of leases, in which shall be recorded all leases, memoranda of leases, and supplements, modifications, and amendments of leases and memoranda of leases;

(6) A record of declarations executed pursuant to section 2133.02 of the Revised Code and durable powers of attorney for health care executed pursuant to section 1337.12 of the Revised Code.

(B) All instruments or memoranda of instruments entitled to record shall be recorded in the proper record in the order in which they are presented for record. The recorder may index, keep, and record in one volume unemployment compensation liens, internal revenue tax liens and other liens in favor of the United States as described in division (A) of section 317.09 of the Revised Code, personal tax liens, mechanic's liens, agricultural product liens, notices of liens, certificates of satisfaction or partial release of estate tax liens, discharges of recognizances, excise and franchise tax liens on corporations, broker's liens, and liens provided for in sections 1513.33, 1513.37, 3752.13, 5111.022, and 5311.18 of the Revised Code.

The recording of an option to purchase real estate, including any supplement, modification, and amendment of the option, under this section shall serve as notice to any purchaser of an interest in the real estate covered by the option only during the period of the validity of the option as stated in the option.

(C) In lieu of keeping the six separate sets of records required in divisions (A)(1) to (6) of this section and the records required in division (D) of this section, a county recorder may record all the instruments required to be recorded by this section in two separate sets of record books. One set shall be called the "official records" and shall contain the instruments listed in divisions (A)(1), (2), (3), (5), and (6) and (D) of this section. The second set of records shall contain the instruments listed in division (A)(4) of this section.

(D) Except as provided in division (C) of this section, the county recorder shall keep a separate set of records containing all corrupt activity lien notices filed with the recorder pursuant to section 2923.36 of the Revised Code and a separate set of records containing all medicaid fraud lien notices filed with the recorder pursuant to section 2933.75 of the Revised Code.

Sec. 319.202. Before the county auditor indorses any real property conveyance or manufactured or mobile home conveyance presented to the auditor pursuant to section 319.20 of the Revised Code or registers any manufactured or mobile home conveyance pursuant to section 4503.061 of the Revised Code, the grantee or the grantee's representative shall submit in triplicate a statement, prescribed by the tax commissioner, and other information as the county auditor may require, declaring the value of real property or manufactured or mobile home conveyed, except that when the transfer is exempt under division ~~(F)~~(G)(3) of section 319.54 of the Revised Code only a statement of the reason for the exemption shall be required. Each statement submitted under this section shall contain the information required under divisions (A) and (B) of this section.

(A) Each statement submitted under this section shall either:

(1) Contain an affirmation by the grantee that the grantor has been asked by the grantee or the grantee's representative whether to the best of the grantor's knowledge either the preceding or the current year's taxes on the real property or the current or following year's taxes on the manufactured or mobile home conveyed will be reduced under division (A) of section 323.152 or under section 4503.065 of the Revised Code and that the grantor indicated that to the best of the grantor's knowledge the taxes will not be so reduced; or

(2) Be accompanied by a sworn or affirmed instrument stating:

(a) To the best of the grantor's knowledge the real property or the manufactured or mobile home that is the subject of the conveyance is eligible for and will receive a reduction in taxes for or payable in the current year under division (A) of section 323.152 or under section 4503.065 of the Revised Code and that the reduction or reductions will be reflected in the grantee's taxes;

(b) The estimated amount of such reductions that will be reflected in the grantee's taxes;

(c) That the grantor and the grantee have considered and accounted for the total estimated amount of such reductions to the satisfaction of both the grantee and the grantor. The auditor shall indorse the instrument, return it to the grantee or the grantee's representative, and provide a copy of the indorsed instrument to the grantor or the grantor's representative.

(B) Each statement submitted under this section shall either:

(1) Contain an affirmation by the grantee that the grantor has been asked by the grantee or the grantee's representative whether to the best of the grantor's knowledge the real property conveyed qualified for the current agricultural use valuation under section 5713.30 of the Revised Code either

for the preceding or the current year and that the grantor indicated that to the best of the grantor's knowledge the property conveyed was not so qualified; or

(2) Be accompanied by a sworn or affirmed instrument stating:

(a) To the best of the grantor's knowledge the real property conveyed was qualified for the current agricultural use valuation under section 5713.30 of the Revised Code either for the preceding or the current year;

(b) To the extent that the property will not continue to qualify for the current agricultural use valuation either for the current or the succeeding year, that the property will be subject to a recoupment charge equal to the tax savings in accordance with section 5713.34 of the Revised Code;

(c) That the grantor and the grantee have considered and accounted for the total estimated amount of such recoupment, if any, to the satisfaction of both the grantee and the grantor. The auditor shall indorse the instrument, forward it to the grantee or the grantee's representative, and provide a copy of the indorsed instrument to the grantor or the grantor's representative.

(C) The grantor shall pay the fee required by division ~~(F)~~(G)(3) of section 319.54 of the Revised Code; and, in the event the board of county commissioners of the county has levied a real property or a manufactured home transfer tax pursuant to Chapter 322. of the Revised Code, the amount required by the real property or manufactured home transfer tax so levied. If the conveyance is exempt from the fee provided for in division ~~(F)~~(G)(3) of section 319.54 of the Revised Code and the tax, if any, levied pursuant to Chapter 322. of the Revised Code, the reason for such exemption shall be shown on the statement. "Value" means, in the case of any deed or certificate of title not a gift in whole or part, the amount of the full consideration therefor, paid or to be paid for the real estate or manufactured or mobile home described in the deed or title, including the amount of any mortgage or vendor's lien thereon. If property sold under a land installment contract is conveyed by the seller under such contract to a third party and the contract has been of record at least twelve months prior to the date of conveyance, "value" means the unpaid balance owed to the seller under the contract at the time of the conveyance, but the statement shall set forth the amount paid under such contract prior to the date of conveyance. In the case of a gift in whole or part, "value" means the estimated price the real estate or manufactured or mobile home described in the deed or certificate of title would bring in the open market and under the then existing and prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels. No person shall willfully falsify the value of property conveyed.

(D) The auditor shall indorse each conveyance on its face to indicate the amount of the conveyance fee and compliance with this section and if the property is residential rental property include a statement that the grantee shall file with the county auditor the information required under division (A) or (C) of section 5323.02 of the Revised Code. The auditor shall retain the original copy of the statement of value, forward to the tax commissioner one copy on which shall be noted the most recent assessed value of the property, and furnish one copy to the grantee or the grantee's representative.

(E) In order to achieve uniform administration and collection of the transfer fee required by division ~~(F)~~(G)(3) of section 319.54 of the Revised Code, the tax commissioner shall adopt and promulgate rules for the administration and enforcement of the levy and collection of such fee.

(F) As used in this section, "residential rental property" has the same meaning as in section 5323.01 of the Revised Code.

Sec. 319.54. (A) On all moneys collected by the county treasurer on any tax duplicate of the county, other than estate tax duplicates, and on all moneys received as advance payments of personal property and classified property taxes, the county auditor, on settlement with the treasurer and tax commissioner, on or before the date prescribed by law for such settlement or any lawful extension of such date, shall be allowed as compensation for the county auditor's services the following percentages:

- (1) On the first one hundred thousand dollars, two and one-half per cent;
- (2) On the next two million dollars, eight thousand three hundred eighteen ten-thousandths of one per cent;
- (3) On the next two million dollars, six thousand six hundred fifty-five ten-thousandths of one per cent;
- (4) On all further sums, one thousand six hundred sixty-three ten-thousandths of one per cent.

If any settlement is not made on or before the date prescribed by law for such settlement or any lawful extension of such date, the aggregate compensation allowed to the auditor shall be reduced one per cent for each day such settlement is delayed after the prescribed date. No penalty shall apply if the auditor and treasurer grant all requests for advances up to ninety per cent of the settlement pursuant to section 321.34 of the Revised Code. The compensation allowed in accordance with this section on settlements made before the dates prescribed by law, or the reduced compensation allowed in accordance with this section on settlements made after the date prescribed by law or any lawful extension of such date, shall be apportioned ratably by the auditor and deducted from the shares or portions of the revenue payable to the state as well as to the county, townships, municipal

corporations, and school districts.

(B) For the purpose of reimbursing county auditors for the expenses associated with the increased number of applications for reductions in real property taxes under sections 323.152 and 4503.065 of the Revised Code that results from the amendment of those sections by Am. Sub. H.B. 119 of the 127th general assembly, on the first day of August of each year there shall be paid from the state's general revenue fund to the county treasury to the credit of the real estate assessment fund created by section 325.31 of the Revised Code an amount equal to one per cent of the total annual amount of property tax relief reimbursement paid to that county under sections 323.156 and 4503.068 of the Revised Code for the preceding tax year.

(C) From all moneys collected by the county treasurer on any tax duplicate of the county, other than estate tax duplicates, and on all moneys received as advance payments of personal property and classified property taxes, there shall be paid into the county treasury to the credit of the real estate assessment fund created by section 325.31 of the Revised Code, an amount to be determined by the county auditor, which shall not exceed the following percentages: prescribed in divisions (C)(1) and (2) of this section.

(1) On For payments made after June 30, 2007, and before 2011, the following percentages:

(a) On the first ~~one~~ five hundred thousand dollars, ~~three and one-half~~ four per cent;

(~~2~~)~~(b)~~ On the next ~~three~~ five million dollars, ~~one and three-eighths~~ two per cent;

(~~3~~)~~(c)~~ On the next ~~three~~ five million dollars, one per cent;

(~~4~~)~~(d)~~ On all further sums not exceeding one hundred fifty million dollars, three-quarters of one per cent;

(~~5~~)~~(e)~~ On amounts exceeding one hundred fifty million dollars, ~~six-tenths~~ five hundred eighty-five thousandths of one per cent.

(2) For payments made in or after 2011, the following percentages:

(a) On the first five hundred thousand dollars, four per cent;

(b) On the next ten million dollars, two per cent;

(c) On amounts exceeding ten million five hundred thousand dollars, three-fourths of one per cent.

Such compensation shall be apportioned ratably by the auditor and deducted from the shares or portions of the revenue payable to the state as well as to the county, townships, municipal corporations, and school districts.

(~~C~~)~~(D)~~ Each county auditor shall receive four per cent of the amount of tax collected and paid into the county treasury, on property omitted and

placed by the county auditor on the tax duplicate.

~~(D)~~(E) On all estate tax moneys collected by the county treasurer, the county auditor, on settlement semiannually with the tax commissioner, shall be allowed, as compensation for the auditor's services under Chapter 5731. of the Revised Code, the following percentages:

- (1) Four per cent on the first one hundred thousand dollars;
- (2) One-half of one per cent on all additional sums.

Such percentages shall be computed upon the amount collected and reported at each semiannual settlement, and shall be for the use of the general fund of the county.

~~(E)~~(F) On all cigarette license moneys collected by the county treasurer, the county auditor, on settlement semiannually with the treasurer, shall be allowed as compensation for the auditor's services in the issuing of such licenses one-half of one per cent of such moneys, to be apportioned ratably and deducted from the shares of the revenue payable to the county and subdivisions, for the use of the general fund of the county.

~~(F)~~(G) The county auditor shall charge and receive fees as follows:

- (1) For deeds of land sold for taxes to be paid by the purchaser, five dollars;
- (2) For the transfer or entry of land, lot, or part of lot, or the transfer or entry on or after January 1, 2000, of a used manufactured home or mobile home as defined in section 5739.0210 of the Revised Code, fifty cents for each transfer or entry, to be paid by the person requiring it;
- (3) For receiving statements of value and administering section 319.202 of the Revised Code, one dollar, or ten cents for each one hundred dollars or fraction of one hundred dollars, whichever is greater, of the value of the real property transferred or, for sales occurring on or after January 1, 2000, the value of the used manufactured home or used mobile home, as defined in section 5739.0210 of the Revised Code, transferred, except no fee shall be charged when the transfer is made:
 - (a) To or from the United States, this state, or any instrumentality, agency, or political subdivision of the United States or this state;
 - (b) Solely in order to provide or release security for a debt or obligation;
 - (c) To confirm or correct a deed previously executed and recorded;
 - (d) To evidence a gift, in trust or otherwise and whether revocable or irrevocable, between husband and wife, or parent and child or the spouse of either;
 - (e) On sale for delinquent taxes or assessments;
 - (f) Pursuant to court order, to the extent that such transfer is not the result of a sale effected or completed pursuant to such order;

(g) Pursuant to a reorganization of corporations or unincorporated associations or pursuant to the dissolution of a corporation, to the extent that the corporation conveys the property to a stockholder as a distribution in kind of the corporation's assets in exchange for the stockholder's shares in the dissolved corporation;

(h) By a subsidiary corporation to its parent corporation for no consideration, nominal consideration, or in sole consideration of the cancellation or surrender of the subsidiary's stock;

(i) By lease, whether or not it extends to mineral or mineral rights, unless the lease is for a term of years renewable forever;

(j) When the value of the real property or the manufactured or mobile home or the value of the interest that is conveyed does not exceed one hundred dollars;

(k) Of an occupied residential property, including a manufactured or mobile home, being transferred to the builder of a new residence or to the dealer of a new manufactured or mobile home when the former residence is traded as part of the consideration for the new residence or new manufactured or mobile home;

(l) To a grantee other than a dealer in real property or in manufactured or mobile homes, solely for the purpose of, and as a step in, the prompt sale of the real property or manufactured or mobile home to others;

(m) To or from a person when no money or other valuable and tangible consideration readily convertible into money is paid or to be paid for the real estate or manufactured or mobile home and the transaction is not a gift;

(n) Pursuant to division (B) of section 317.22 of the Revised Code, or section 2113.61 of the Revised Code, between spouses or to a surviving spouse pursuant to section 5302.17 of the Revised Code as it existed prior to April 4, 1985, between persons pursuant to section 5302.17 or 5302.18 of the Revised Code on or after April 4, 1985, to a person who is a surviving, survivorship tenant pursuant to section 5302.17 of the Revised Code on or after April 4, 1985, or pursuant to section 5309.45 of the Revised Code;

(o) To a trustee acting on behalf of minor children of the deceased;

(p) Of an easement or right-of-way when the value of the interest conveyed does not exceed one thousand dollars;

(q) Of property sold to a surviving spouse pursuant to section 2106.16 of the Revised Code;

(r) To or from an organization exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, provided such transfer is without consideration and is in furtherance of the charitable or public purposes of

such organization;

(s) Among the heirs at law or devisees, including a surviving spouse, of a common decedent, when no consideration in money is paid or to be paid for the real property or manufactured or mobile home;

(t) To a trustee of a trust, when the grantor of the trust has reserved an unlimited power to revoke the trust;

(u) To the grantor of a trust by a trustee of the trust, when the transfer is made to the grantor pursuant to the exercise of the grantor's power to revoke the trust or to withdraw trust assets;

(v) To the beneficiaries of a trust if the fee was paid on the transfer from the grantor of the trust to the trustee or if the transfer is made pursuant to trust provisions which became irrevocable at the death of the grantor;

(w) To a corporation for incorporation into a sports facility constructed pursuant to section 307.696 of the Revised Code;

(x) Between persons pursuant to section 5302.18 of the Revised Code.

The auditor shall compute and collect the fee. The auditor shall maintain a numbered receipt system, as prescribed by the tax commissioner, and use such receipt system to provide a receipt to each person paying a fee. The auditor shall deposit the receipts of the fees on conveyances in the county treasury daily to the credit of the general fund of the county.

The real property transfer fee provided for in division ~~(F)~~(G)(3) of this section shall be applicable to any conveyance of real property presented to the auditor on or after January 1, 1968, regardless of its time of execution or delivery.

The transfer fee for a used manufactured home or used mobile home shall be computed by and paid to the county auditor of the county in which the home is located immediately prior to the transfer.

Sec. 322.01. As used in sections 322.01 to 322.07 of the Revised Code:

(A) "Value" means, in the case of any deed not a gift in whole or part, the amount of the full consideration therefor, paid or to be paid for the real estate described in the deed, including the amount of any liens thereon, with the following exceptions:

(1) The amount owed on a debt secured by a mortgage which has been of record at least twelve months prior to the date of the conveyance and which is assumed by the purchaser;

(2) The difference between the full amount of consideration and the unpaid balance owed to the seller at the time of the conveyance of property to a third party under a land installment contract that has been of record at least twelve months prior to the date of conveyance.

(B) "Value" means, in the case of a manufactured or mobile home that is

not a gift in whole or in part, the amount of the full consideration paid or to be paid for the home, including the amounts of any liens thereon.

(C) "Value" means, in the case of a gift in whole or part, the estimated price the real estate described in the deed, or the manufactured or mobile home, would bring in the open market and under the then existing and prevailing market conditions in a sale between a willing seller and a willing buyer, both conversant with the property and with prevailing general price levels.

(D) "Deed" means any deed, instrument, or writing by which any real property or any interest in real property is granted, assigned, transferred, or otherwise conveyed except that it does not include any deed, instrument, or writing which grants, assigns, transfers, or otherwise conveys any real property or interests in real property exempted from the fee required by division ~~(F)~~(G)(3) of section 319.54 of the Revised Code.

(E) "Manufactured home" has the same meaning as in division (C)(4) of section 3781.06 of the Revised Code.

(F) "Mobile home" has the same meaning as in division (O) of section 4501.01 of the Revised Code.

Sec. 323.131. (A) Each tax bill prepared and mailed or delivered under section 323.13 of the Revised Code shall be in the form and contain the information required by the tax commissioner. The commissioner may prescribe different forms for each county and may authorize the county auditor to make up tax bills and tax receipts to be used by the county treasurer. For any county in which the board of county commissioners has granted a partial property tax exemption on homesteads under section 323.158 of the Revised Code, the commissioner shall require that the tax bills for those homesteads include a notice of the amount of the tax reduction that results from the partial exemption. In addition to the information required by the commissioner, each tax bill shall contain the following information:

~~(A)~~(1) The taxes levied and the taxes charged and payable against the property;

~~(B)~~(2) The effective tax rate. The words "effective tax rate" shall appear in boldface type.

~~(C)~~(3) The following notices:

~~(1)~~(a) "Notice: If the taxes are not paid within one year from the date they are due, the property is subject to foreclosure for tax delinquency." Failure to provide such notice has no effect upon the validity of any tax foreclosure to which a property is subjected.

~~(2)~~(b) "Notice: If the taxes charged against this parcel have been

reduced by the 2-1/2 per cent tax reduction for residences occupied by the owner but the property is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31 of the year following the year for which the taxes are due. Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to \$250, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.

If the taxes charged against this parcel have not been reduced by the 2-1/2 per cent tax reduction and the parcel includes a residence occupied by the owner, the parcel may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at (insert the address and telephone number of the county auditor's office)."

~~(D)~~(4) For a tract or lot on the real property tax suspension list under section 319.48 of the Revised Code, the following notice: "Notice: The taxes shown due on this bill are for the current year only. Delinquent taxes, penalties, and interest also are due on this property. Contact the county treasurer to learn the total amount due."

The tax bill shall not contain or be mailed or delivered with any information or material that is not required by this section or that is not authorized by section 321.45 of the Revised Code or by the tax commissioner.

(B) If the property is residential rental property, the tax bill shall contain a statement that the owner of the residential rental property shall file with the county auditor the information required under division (A) or (C) of section 5323.02 of the Revised Code.

(C) As used in this section, "residential rental property" has the same meaning as in section 5323.01 of the Revised Code.

Sec. 323.151. As used in sections 323.151 to 323.159 of the Revised Code:

(A) "Homestead" means either of the following:

(1) A dwelling, including a unit in a multiple-unit dwelling and a manufactured home or mobile home taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code, owned and occupied as a home by an individual whose domicile is in this state and who has not acquired ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the real property tax reduction provided in section 323.152 of the Revised Code.

(2) A unit in a housing cooperative that is occupied as a home, but not

owned, by an individual whose domicile is in this state.

The homestead shall include so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling or unit as a home. An owner includes a holder of one of the several estates in fee, a vendee in possession under a purchase agreement or a land contract, a mortgagor, a life tenant, one or more tenants with a right of survivorship, tenants in common, and a settlor of a revocable inter vivos trust holding the title to a homestead occupied by the settlor as of right under the trust. The tax commissioner shall adopt rules for the uniform classification and valuation of real property or portions of real property as homesteads.

(B) "Sixty-five years of age or older" means a person who has attained age sixty-four prior to the first day of January of the year of application for reduction in real estate taxes.

(C) ~~"Total income" means the adjusted gross income of the owner and the owner's spouse for the year preceding the year in which application for a reduction in taxes is made, as determined under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, adjusted as follows:~~

~~(1) Subtract the amount of disability benefits included in adjusted gross income, but not to exceed fifty-two hundred dollars;~~

~~(2) Add old age and survivors benefits received pursuant to the "Social Security Act" that are not included in adjusted gross income;~~

~~(3) Add retirement, pension, annuity, or other retirement payments or benefits not included in adjusted gross income;~~

~~(4) Add tier I and tier II railroad retirement benefits received pursuant to the "Railroad Retirement Act," 50 Stat. 307, 45 U.S.C.A. 228;~~

~~(5) Add interest on federal, state, and local government obligations;~~

~~(6) For a person who received the homestead exemption for a prior year on the basis of being permanently and totally disabled and whose current application for the exemption is made on the basis of age, subtract the following amount:~~

~~(a) If the person received disability benefits that were not included in adjusted gross income in the year preceding the first year in which the person applied for the exemption on the basis of age, subtract an amount equal to the disability benefits the person received in that preceding year, to the extent included in total income in the current year and not subtracted under division (C)(1) of this section in the current year;~~

~~(b) If the person received disability benefits that were included in adjusted gross income in the year preceding the first year in which the person applied for the exemption on the basis of age, subtract an amount equal to the amount of disability benefits that were subtracted pursuant to~~

~~division (C)(1) of this section in that preceding year, to the extent included in total income in the current year and not subtracted under division (C)(1) of this section in the current year.~~

~~Disability benefits that are paid by the department of veterans affairs or a branch of the armed forces of the United States on account of an injury or disability shall not be included in total income.~~

~~(D) "Old age and survivors benefits received pursuant to the 'Social Security Act'" or "tier I railroad retirement benefits received pursuant to the 'Railroad Retirement Act'" means:~~

~~(1) For those persons receiving the homestead exemption for the first time for tax years 1976 and earlier, old age benefits payable under the social security or railroad retirement laws in effect on December 31, 1975, except in those cases where a change in social security or railroad retirement benefits would result in a reduction in income.~~

~~(2) For those persons receiving the homestead exemption for the first time for tax years 1977 and thereafter, old age benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year prior to the year for which the homestead exemption is first received, or, if no such benefits are payable that year, old age benefits payable the first succeeding year in which old age benefits under the social security or railroad retirement laws are payable, except in those cases where a change in social security or railroad retirement benefits results in a reduction in income.~~

~~(3) The lesser of:~~

~~(a) Survivors benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year prior to the year for which the homestead exemption is first received, or, if no such benefits are payable that year, survivors benefits payable the first succeeding year in which survivors benefits are payable; or~~

~~(b) Old age benefits of the deceased spouse, as determined under division (D)(1) or (2) of this section, upon which the surviving spouse's survivors benefits are based under the social security or railroad retirement laws, except in those cases where a change in benefits would cause a reduction in income.~~

~~Survivors benefits are those described in division (D)(3)(b) of this section only if the deceased spouse received old age benefits in the year in which the deceased spouse died. If the deceased spouse did not receive old age benefits in the year in which the deceased spouse died, then survivors benefits are those described in division (D)(3)(a) of this section.~~

~~(E) "Permanently and totally disabled" means a person who has, on the~~

first day of January of the year of application for reduction in real estate taxes, some impairment in body or mind that makes the person unable to work at any substantially remunerative employment that the person is reasonably able to perform and that will, with reasonable probability, continue for an indefinite period of at least twelve months without any present indication of recovery therefrom or has been certified as permanently and totally disabled by a state or federal agency having the function of so classifying persons.

~~(F)~~(D) "Housing cooperative" means a housing complex of at least two hundred fifty units that is owned and operated by a nonprofit corporation that issues a share of the corporation's stock to an individual, entitling the individual to live in a unit of the complex, and collects a monthly maintenance fee from the individual to maintain, operate, and pay the taxes of the complex.

Sec. 323.152. In addition to the reduction in taxes required under section 319.302 of the Revised Code, taxes shall be reduced as provided in divisions (A) and (B) of this section.

(A)(1) Division (A) of this section applies to any of the following:

- (a) A person who is permanently and totally disabled;
- (b) A person who is sixty-five years of age or older;

(c) A person who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in taxes under this division in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

(2) Real property taxes on a homestead owned and occupied, or a homestead in a housing cooperative occupied, by a person to whom division (A) of this section applies shall be reduced for each year for which the owner obtains a certificate of reduction from the county auditor under section 323.154 of the Revised Code or for which the occupant obtains a certificate of reduction in accordance with section 323.159 of the Revised Code. The reduction shall equal the ~~amount obtained by multiplying the tax rate for the tax year for which the certificate is issued by the reduction in taxable value shown in the following schedule:~~

Total Income	Reduce Taxable Value by the Lesser of:
\$11,900 or less	\$5,000 or seventy five per cent
More than \$11,900 but not more than \$17,500	\$3,000 or sixty per cent
More than \$17,500 but not	\$1,000 or twenty five per cent

~~more than \$23,000~~

More than \$23,000

~~0~~

~~(3) Each calendar year, the tax commissioner shall adjust the foregoing schedule by completing the following calculations in September of each year:~~

~~(a) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;~~

~~(b) Multiply that percentage increase by each of the total income amounts, and by each dollar amount by which taxable value is reduced, for the current tax year;~~

~~(c) Add the resulting product to each of the total income amounts, and to each of the dollar amounts by which taxable value is reduced, for the current tax year;~~

~~(d)(i) Except as provided in division (A)(3)(d)(ii) of this section, round the resulting sum to the nearest multiple of one hundred dollars;~~

~~(ii) If rounding the resulting sum to the nearest multiple of one hundred dollars under division (A)(3)(d)(i) of this section does not increase the dollar amounts by which taxable value is reduced, the resulting sum instead shall be rounded to the nearest multiple of ten dollars.~~

~~The commissioner shall certify the amounts resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amounts apply to the following tax year. The commissioner shall not make the adjustment in any calendar year in which the amounts resulting from the adjustment would be less than the total income amounts, or less than the dollar amounts by which taxable value is reduced, for the current tax year greater of the reduction granted for the tax year preceding the first tax year to which this section applies pursuant to Section 803.06 of Am. Sub. H.B. 119 of the 127th general assembly, if the taxpayer received a reduction for that preceding tax year, or the product of the following:~~

~~(a) Twenty-five thousand dollars of the true value of the property in money;~~

~~(b) The assessment percentage established by the tax commissioner under division (B) of section 5715.01 of the Revised Code, not to exceed thirty-five per cent;~~

~~(c) The effective tax rate used to calculate the taxes charged against the property for the current year, where "effective tax rate" is defined as in section 323.08 of the Revised Code;~~

(d) The quantity equal to one minus the sum of the percentage reductions in taxes received by the property for the current tax year under section 319.302 of the Revised Code and division (B) of section 323.152 of the Revised Code.

(B) To provide a partial exemption, real property taxes on any homestead, and manufactured home taxes on any manufactured or mobile home on which a manufactured home tax is assessed pursuant to division (D)(2) of section 4503.06 of the Revised Code, shall be reduced for each year for which the owner obtains a certificate of reduction from the county auditor under section 323.154 of the Revised Code. The amount of the reduction shall equal two and one-half per cent of the amount of taxes to be levied on the homestead or the manufactured or mobile home after applying section 319.301 of the Revised Code.

(C) The reductions granted by this section do not apply to special assessments or respread of assessments levied against the homestead, and if there is a transfer of ownership subsequent to the filing of an application for a reduction in taxes, such reductions are not forfeited for such year by virtue of such transfer.

(D) The reductions in taxable value referred to in this section shall be applied solely as a factor for the purpose of computing the reduction of taxes under this section and shall not affect the total value of property in any subdivision or taxing district as listed and assessed for taxation on the tax lists and duplicates, or any direct or indirect limitations on indebtedness of a subdivision or taxing district. If after application of sections 5705.31 and 5705.32 of the Revised Code, including the allocation of all levies within the ten-mill limitation to debt charges to the extent therein provided, there would be insufficient funds for payment of debt charges not provided for by levies in excess of the ten-mill limitation, the reduction of taxes provided for in sections 323.151 to 323.159 of the Revised Code shall be proportionately adjusted to the extent necessary to provide such funds from levies within the ten-mill limitation.

(E) No reduction shall be made on the taxes due on the homestead of any person convicted of violating division (C) or (D) of section 323.153 of the Revised Code for a period of three years following the conviction.

Sec. 323.153. (A) To obtain a reduction in real property taxes under division (A) or (B) of section 323.152 of the Revised Code or in manufactured home taxes under division (B) of section 323.152 of the Revised Code, the owner shall file an application with the county auditor of the county in which the owner's homestead is located.

To obtain a reduction in real property taxes under division (A) of

section 323.152 of the Revised Code, the occupant of a homestead in a housing cooperative shall file an application with the nonprofit corporation that owns and operates the housing cooperative, in accordance with this paragraph. Not later than the first day of March each year, the corporation shall obtain applications from the county auditor's office and provide one to each new occupant. Not later than the first day of May, any occupant who may be eligible for a reduction in taxes under division (A) of section 323.152 of the Revised Code shall submit the completed application to the corporation. Not later than the fifteenth day of May, the corporation shall file all completed applications, and the information required by division (B) of section 323.159 of the Revised Code, with the county auditor of the county in which the occupants' homesteads are located. Continuing applications shall be furnished to an occupant in the manner provided in division (C)(4) of this section.

(1) An application for reduction based upon a physical disability shall be accompanied by a certificate signed by a physician, and an application for reduction based upon a mental disability shall be accompanied by a certificate signed by a physician or psychologist licensed to practice in this state, attesting to the fact that the applicant is permanently and totally disabled. The certificate shall be in a form that the tax commissioner requires and shall include the definition of permanently and totally disabled as set forth in section 323.151 of the Revised Code. An application for reduction based upon a disability certified as permanent and total by a state or federal agency having the function of so classifying persons shall be accompanied by a certificate from that agency. ~~Such an~~

An application for a reduction under division (A) of section 323.152 of the Revised Code constitutes a continuing application for a reduction in taxes for each year in which the dwelling is the applicant's homestead ~~and the amount of the reduction in taxable value to which the applicant is entitled does not exceed either the amount or percentage of the reduction to which the applicant was entitled for the year in which the application was first filed.~~

(2) An application for a reduction in taxes under division (B) of section 323.152 of the Revised Code shall be filed only if the homestead or manufactured or mobile home was transferred in the preceding year or did not qualify for and receive the reduction in taxes under that division for the preceding tax year. The application for homesteads transferred in the preceding year shall be incorporated into any form used by the county auditor to administer the tax law in respect to the conveyance of real property pursuant to section 319.20 of the Revised Code or of used

manufactured homes or used mobile homes as defined in section 5739.0210 of the Revised Code. The owner of a manufactured or mobile home who has elected under division (D)(4) of section 4503.06 of the Revised Code to be taxed under division (D)(2) of that section for the ensuing year may file the application at the time of making that election. The application shall contain a statement that failure by the applicant to affirm on the application that the dwelling on the property conveyed is the applicant's homestead prohibits the owner from receiving the reduction in taxes until a proper application is filed within the period prescribed by division (A)(3) of this section. Such an application constitutes a continuing application for a reduction in taxes for each year in which the dwelling is the applicant's homestead.

(3) Failure to receive a new application filed under division (A)(1) or (2) or notification under division (C) of this section after a certificate of reduction has been issued under section 323.154 of the Revised Code, or failure to receive a new application filed under division (A)(1) or notification under division (C) of this section after a certificate of reduction has been issued under section 323.159 of the Revised Code, is prima-facie evidence that the original applicant is entitled to the reduction in taxes calculated on the basis of the information contained in the original application. The original application and any subsequent application, including any late application, shall be in the form of a signed statement and shall be filed after the first Monday in January and not later than the first Monday in June. The original application and any subsequent application for a reduction in real property taxes shall be filed in the year for which the reduction is sought. The original application and any subsequent application for a reduction in manufactured home taxes shall be filed in the year preceding the year for which the reduction is sought. The statement shall be on a form, devised and supplied by the tax commissioner, which shall require no more information than is necessary to establish the applicant's eligibility for the reduction in taxes and the amount of the reduction, and, for a certificate of reduction issued under section 323.154 of the Revised Code, shall include an affirmation by the applicant that ownership of the homestead was not acquired from a person, other than the applicant's spouse, related to the owner by consanguinity or affinity for the purpose of qualifying for the real property or manufactured home tax reduction provided for in division (A) or (B) of section 323.152 of the Revised Code. The form shall contain a statement that conviction of willfully falsifying information to obtain a reduction in taxes or failing to comply with division (C) of this section results in the revocation of the right to the reduction for a period of three years. ~~In the case of an application for a reduction in taxes~~

~~under division (A) of section 323.152 of the Revised Code, the form shall contain a statement that signing the application constitutes a delegation of authority by the applicant to the county auditor to examine any financial records relating to income earned by the applicant as stated on the application for the purpose of determining a possible violation of division (D) or (E) of this section.~~

(B) A late application for a tax reduction for the year preceding the year in which an original application is filed, or for a reduction in manufactured home taxes for the year in which an original application is filed, may be filed with the original application. If the county auditor determines the information contained in the late application is correct, the auditor shall determine the amount of the reduction in taxes to which the applicant would have been entitled for the preceding tax year had the applicant's application been timely filed and approved in that year.

The amount of such reduction shall be treated by the auditor as an overpayment of taxes by the applicant and shall be refunded in the manner prescribed in section 5715.22 of the Revised Code for making refunds of overpayments. On the first day of July of each year, the county auditor shall certify the total amount of the reductions in taxes made in the current year under this division to the tax commissioner, who shall treat the full amount thereof as a reduction in taxes for the preceding tax year and shall make reimbursement to the county therefor in the manner prescribed by section 323.156 of the Revised Code, from money appropriated for that purpose.

(C)(1) If, in any year after an application has been filed under division (A)(1) or (2) of this section, the owner does not qualify for a reduction in taxes on the homestead or on the manufactured or mobile home set forth on such application, ~~or qualifies for a reduction in taxes that is to be based upon a reduction in taxable value less than either the percentage or amount of the reduction in taxable value to which the owner was entitled in the year the application was filed,~~ the owner shall notify the county auditor that the owner is not qualified for a reduction in taxes ~~or file a new application under division (A)(1) or (2) of this section.~~

(2) If, in any year after an application has been filed under division (A)(1) of this section, the occupant of a homestead in a housing cooperative does not qualify for a reduction in taxes on the homestead, the occupant shall notify the county auditor that the occupant is not qualified for a reduction in taxes or file a new application under division (A)(1) of this section.

(3) If the county auditor or county treasurer discovers that the owner of property not entitled to the reduction in taxes under division (B) of section

323.152 of the Revised Code failed to notify the county auditor as required by division (C)(1) of this section, a charge shall be imposed against the property in the amount by which taxes were reduced under that division for each tax year the county auditor ascertains that the property was not entitled to the reduction and was owned by the current owner. Interest shall accrue in the manner prescribed by division (B) of section 323.121 or division (G)(2) of section 4503.06 of the Revised Code on the amount by which taxes were reduced for each such tax year as if the reduction became delinquent taxes at the close of the last day the second installment of taxes for that tax year could be paid without penalty. The county auditor shall notify the owner, by ordinary mail, of the charge, of the owner's right to appeal the charge, and of the manner in which the owner may appeal. The owner may appeal the imposition of the charge and interest by filing an appeal with the county board of revision not later than the last day prescribed for payment of real and public utility property taxes under section 323.12 of the Revised Code following receipt of the notice and occurring at least ninety days after receipt of the notice. The appeal shall be treated in the same manner as a complaint relating to the valuation or assessment of real property under Chapter 5715. of the Revised Code. The charge and any interest shall be collected as other delinquent taxes.

(4) Each year during January, the county auditor shall furnish by ordinary mail a continuing application to each person issued a certificate of reduction under section 323.154 or 323.159 of the Revised Code with respect to a reduction in taxes under division (A) of section 323.152 of the Revised Code. The continuing application shall be used to report ~~changes in total income that would have the effect of increasing or decreasing the reduction in taxable value to which the person is entitled,~~ changes in ownership or occupancy of the homestead, including changes in or revocation of a revocable inter vivos trust, changes in disability, and other changes in the information earlier furnished the auditor relative to the reduction in taxes on the property. The continuing application shall be returned to the auditor not later than the first Monday in June; provided, that if such changes do not affect the status of the homestead exemption or the amount of the reduction to which the owner is entitled under division (A) of section 323.152 of the Revised Code or to which the occupant is entitled under section 323.159 of the Revised Code, the application does not need to be returned.

(5) Each year during February, the county auditor, except as otherwise provided in this paragraph, shall furnish by ordinary mail an original application to the owner, as of the first day of January of that year, of a

homestead or a manufactured or mobile home that transferred during the preceding calendar year and that qualified for and received a reduction in taxes under division (B) of section 323.152 of the Revised Code for the preceding tax year. In order to receive the reduction under that division, the owner shall file the application with the county auditor not later than the first Monday in June. If the application is not timely filed, the auditor shall not grant a reduction in taxes for the homestead for the current year, and shall notify the owner that the reduction in taxes has not been granted, in the same manner prescribed under section 323.154 of the Revised Code for notification of denial of an application. Failure of an owner to receive an application does not excuse the failure of the owner to file an original application. The county auditor is not required to furnish an application under this paragraph for any homestead for which application has previously been made on a form incorporated into any form used by the county auditor to administer the tax law in respect to the conveyance of real property or of used manufactured homes or used mobile homes, and an owner who previously has applied on such a form is not required to return an application furnished under this paragraph.

(D) No person shall knowingly make a false statement for the purpose of obtaining a reduction in the person's real property or manufactured home taxes under section 323.152 of the Revised Code.

(E) No person shall knowingly fail to notify the county auditor of changes required by division (C) of this section that have the effect of maintaining or securing a reduction ~~in taxable value of homestead property or a reduction in taxes in excess of the reduction allowed~~ under section 323.152 of the Revised Code.

(F) No person shall knowingly make a false statement or certification attesting to any person's physical or mental condition for purposes of qualifying such person for tax relief pursuant to sections 323.151 to 323.159 of the Revised Code.

Sec. 323.154. On or before the day the county auditor has completed the duties imposed by sections 319.30 to 319.302 of the Revised Code, the auditor shall issue a certificate of reduction in taxes in triplicate for each person who has complied with section 323.153 of the Revised Code and whose homestead, as defined in division (A)(1) of section 323.151 of the Revised Code, or manufactured or mobile home the auditor finds is entitled to a reduction in real property or manufactured home taxes for that year under section 323.152 of the Revised Code. Except as provided in section 323.159 of the Revised Code, in the case of a homestead entitled to a reduction under division (A) of that section, the certificate shall state the

taxable value of the homestead on the first day of January of that year, the ~~amount of the reduction in taxable value and the~~ total reduction in taxes for that year under that section, the tax rate that is applicable against such homestead for that year, and any other information the tax commissioner requires. In the case of a homestead or a manufactured or mobile home entitled to a reduction under division (B) of that section, the certificate shall state the total amount of the reduction in taxes for that year under that section and any other information the tax commissioner requires. The certificate for reduction in taxes shall be on a form approved by the commissioner. Upon issuance of such a certificate, the county auditor shall forward one copy and the original to the county treasurer and retain one copy. The county auditor also shall record the amount of reduction in taxes in the appropriate column on the general tax list and duplicate of real and public utility property and on the manufactured home tax list.

If an application, late application, or continuing application is not approved, or if the county auditor otherwise determines that a homestead or a manufactured or mobile home does not qualify for a reduction in taxes under division (A) or (B) of section 323.152 of the Revised Code, the auditor shall notify the applicant of the reasons for denial not later than the first Monday in October. If an applicant believes that the application for reduction has been improperly denied or that the reduction is for less than that to which the applicant is entitled, the applicant may file an appeal with the county board of revision not later than the date of closing of the collection for the first half of real and public utility property taxes or manufactured home taxes. The appeal shall be treated in the same manner as a complaint relating to the valuation or assessment of real property under Chapter 5715. of the Revised Code.

Sec. 325.31. (A) On the first business day of each month, and at the end of the officer's term of office, each officer named in section 325.27 of the Revised Code shall pay into the county treasury, to the credit of the general county fund, on the warrant of the county auditor, all fees, costs, penalties, percentages, allowances, and perquisites collected by the officer's office during the preceding month or part thereof for official services, except the fees allowed the county auditor by division ~~(B)~~(C) of section 319.54 of the Revised Code, which shall be paid into the county treasury to the credit of the real estate assessment fund hereby created.

(B) Moneys to the credit of the real estate assessment fund may be expended, upon appropriation by the board of county commissioners, for the purpose of defraying one or more of the following:

- (1) The cost incurred by the county auditor in assessing real estate

pursuant to Chapter 5713. of the Revised Code and manufactured and mobile homes pursuant to Chapter 4503. of the Revised Code;

(2) At the county auditor's discretion, costs and expenses incurred by the county auditor in preparing the list of real and public utility property, in administering laws related to the taxation of real property and the levying of special assessments on real property, including administering reductions under Chapters 319. and 323. and section 4503.065 of the Revised Code, and to support assessments of real property in any administrative or judicial proceeding;

(3) At the county auditor's discretion, the expenses incurred by the county board of revision under Chapter 5715. of the Revised Code;

(4) At the county auditor's discretion, the expenses incurred by the county auditor for geographic information systems, mapping programs, and technological advances in those or similar systems or programs;

(5) At the county auditor's discretion, expenses incurred by the county auditor in compiling the general tax list of tangible personal property and administering tangible personal property taxes under Chapters 5711. and 5719. of the Revised Code;

(6) At the county auditor's discretion, costs, expenses, and fees incurred by the county auditor in the administration of estate taxes under Chapter 5731. of the Revised Code and the amounts incurred under section 5731.41 of the Revised Code.

Any expenditures made from the real estate assessment fund shall comply with rules that the tax commissioner adopts under division (O) of section 5703.05 of the Revised Code. Those rules shall include a requirement that a copy of any appraisal plans, progress of work reports, contracts, or other documents required to be filed with the tax commissioner shall be filed also with the board of county commissioners.

The board of county commissioners shall not transfer moneys required to be deposited in the real estate assessment fund to any other fund. Following an assessment of real property pursuant to Chapter 5713. of the Revised Code, or an assessment of a manufactured or mobile home pursuant to Chapter 4503. of the Revised Code, any moneys not expended for the purpose of defraying the cost incurred in assessing real estate or manufactured or mobile homes or for the purpose of defraying the expenses described in divisions (B)(2), (3), (4), (5), and (6) of this section, and thereby remaining to the credit of the real estate assessment fund, shall be apportioned ratably and distributed to those taxing authorities that contributed to the fund. However, no such distribution shall be made if the amount of such unexpended moneys remaining to the credit of the real

estate assessment fund does not exceed five thousand dollars.

(C) None of the officers named in section 325.27 of the Revised Code shall collect any fees from the county. Each of such officers shall, at the end of each calendar year, make and file a sworn statement with the board of county commissioners of all such fees, costs, penalties, percentages, allowances, and perquisites which have been due in the officer's office and unpaid for more than one year prior to the date such statement is required to be made.

Sec. 329.04. (A) The county department of job and family services shall have, exercise, and perform the following powers and duties:

(1) Perform any duties assigned by the state department of job and family services regarding the provision of public family services, including the provision of the following services to prevent or reduce economic or personal dependency and to strengthen family life:

(a) Services authorized by a Title IV-A program, as defined in section 5101.80 of the Revised Code;

(b) Social services authorized by Title XX of the "Social Security Act" and provided for by section 5101.46 or 5101.461 of the Revised Code;

(c) If the county department is designated as the child support enforcement agency, services authorized by Title IV-D of the "Social Security Act" and provided for by Chapter 3125. of the Revised Code. The county department may perform the services itself or contract with other government entities, and, pursuant to division (C) of section 2301.35 and section 2301.42 of the Revised Code, private entities, to perform the Title IV-D services.

(d) Duties assigned under section 5111.98 of the Revised Code.

(2) Administer disability financial assistance, as required by the state department of job and family services under section 5115.03 of the Revised Code;

(3) Administer disability medical assistance, as required by the state department of job and family services under section 5115.13 of the Revised Code;

(4) Administer burials insofar as the administration of burials was, prior to September 12, 1947, imposed upon the board of county commissioners and if otherwise required by state law;

(5) Cooperate with state and federal authorities in any matter relating to family services and to act as the agent of such authorities;

(6) Submit an annual account of its work and expenses to the board of county commissioners and to the state department of job and family services at the close of each fiscal year;

(7) Exercise any powers and duties relating to family services duties or workforce development activities imposed upon the county department of job and family services by law, by resolution of the board of county commissioners, or by order of the governor, when authorized by law, to meet emergencies during war or peace;

(8) Determine the eligibility for medical assistance of recipients of aid under Title XVI of the "Social Security Act";

(9) If assigned by the state director of job and family services under section 5101.515 or 5101.525 of the Revised Code, determine applicants' eligibility for health assistance under the children's health insurance program part II or part III;

(10) Enter into a plan of cooperation with the board of county commissioners under section 307.983, consult with the board in the development of the transportation work plan developed under section 307.985, establish with the board procedures under section 307.986 for providing services to children whose families relocate frequently, and comply with the contracts the board enters into under sections 307.981 and 307.982 of the Revised Code that affect the county department;

(11) For the purpose of complying with a fiscal grant agreement the board of county commissioners enters into under ~~section~~ sections 307.98 and 5101.21 of the Revised Code, exercise the powers and perform the duties the fiscal grant agreement assigns to the county department;

(12) If the county department is designated as the workforce development agency, provide the workforce development activities specified in the contract required by section 330.05 of the Revised Code.

(B) The powers and duties of a county department of job and family services are, and shall be exercised and performed, under the control and direction of the board of county commissioners. The board may assign to the county department any power or duty of the board regarding family services duties and workforce development activities. If the new power or duty necessitates the state department of job and family services changing its federal cost allocation plan, the county department may not implement the power or duty unless the United States department of health and human services approves the changes.

Sec. 329.05. The county department of job and family services may administer or assist in administering any state or local family services duty in addition to those mentioned in section 329.04 of the Revised Code, supported wholly or in part by public funds from any source provided by agreement between the board of county commissioners and the officer, department, board, or agency in which the administration of such activity is

vested. Such officer, department, board, or agency may enter into such agreement and confer upon the county department of job and family services, to the extent and in particulars specified in the agreement, the performance of any duties and the exercise of any powers imposed upon or vested in such officer, board, department, or agency, with respect to the administration of such activity. Such agreement shall be in the form of a resolution of the board of county commissioners, accepted in writing by the other party to the agreement, and filed in the office of the county auditor, and when so filed, shall have the effect of transferring the exercise of the powers and duties to which the agreement relates and shall exempt the other party from all further responsibility for the exercise of the powers and duties so transferred, during the life of the agreement.

Such agreement shall be coordinated and not conflict with a ~~fiscal grant~~ agreement entered into under ~~section~~ sections 307.98 and 5101.21, a contract entered into under section 307.981 or 307.982, a plan of cooperation entered into under section 307.983, a regional plan of cooperation entered into under section 307.984, a transportation work plan developed under section 307.985, or procedures for providing services to children whose families relocate frequently established under section 307.986 of the Revised Code. It may be revoked at the option of either party, by a resolution or order of the revoking party filed in the office of the auditor. Such revocation shall become effective at the end of the fiscal year occurring at least six months following the filing of the resolution or order. In the absence of such an express revocation so filed, the agreement shall continue indefinitely.

This section does not permit a county department of job and family services to manage or control hospitals, humane societies, detention facilities, jails or probation departments of courts, or veterans service commissions.

Sec. 329.14. (A) An individual whose household income does not exceed ~~one~~ two hundred ~~fifty~~ per cent of the federal poverty line is eligible to participate in an individual development account program established by the county department of job and family services of the county in which the individual resides. An eligible individual seeking to be a participant in the program shall enter into an agreement with the fiduciary organization administering the program. The agreement shall specify the terms and conditions of uses of funds deposited, financial documentation required to be maintained by the participant, expectations and responsibilities of the participant, and services to be provided by the fiduciary organization.

(B) A participant may deposit earned income, as defined in 26 U.S.C.

911(d)(2), as amended, into the account. The fiduciary organization may deposit into the account an amount not exceeding ~~twice~~ four times the amount deposited by the participant except that a fiduciary organization may not, pursuant to an agreement with an employer, deposit an amount into an account held by a participant who is employed by the employer. An account may have no more than ten thousand dollars in it at any time.

(C) Notwithstanding eligibility requirements established in or pursuant to Chapter 5107., 5108., or 5111. of the Revised Code, to the extent permitted by federal statutes and regulations, money in an individual development account, including interest, is exempt from consideration in determining whether the participant or a member of the participant's assistance group is eligible for assistance under Chapter 5107., 5108., or 5111. of the Revised Code and the amount of assistance the participant or assistance group is eligible to receive.

(D)(1) Except as provided in division (D)(2) of this section, an individual development account program participant may use money in the account only for the following purposes:

(a) Postsecondary educational expenses paid directly from the account to an eligible education institution or vendor;

(b) Qualified acquisition expenses of a principal residence, as defined in 26 U.S.C. 1034, as amended, paid directly from the account to the person or government entity to which the expenses are due;

(c) Qualified business capitalization expenses made in accordance with a qualified business plan that has been approved by a financial institution or by a nonprofit microenterprise program having demonstrated business expertise and paid directly from the account to the person to whom the expenses are due.

(2) A fiduciary organization shall permit a participant to withdraw money deposited by the participant if it is needed to deal with a personal emergency of the participant or a member of the participant's family or household. Withdrawal shall result in the loss of any matching funds in an amount equal to the amount of the withdrawal.

(3) Regardless of the reason for the withdrawal, a withdrawal from an individual development account may be made only with the approval of the fiduciary organization.

Sec. 340.03. (A) Subject to rules issued by the director of mental health after consultation with relevant constituencies as required by division (A)(11) of section 5119.06 of the Revised Code, with regard to mental health services, the board of alcohol, drug addiction, and mental health services shall:

(1) Serve as the community mental health planning agency for the county or counties under its jurisdiction, and in so doing it shall:

(a) Evaluate the need for facilities and community mental health services;

(b) In cooperation with other local and regional planning and funding bodies and with relevant ethnic organizations, assess the community mental health needs, set priorities, and develop plans for the operation of facilities and community mental health services;

(c) In accordance with guidelines issued by the director of mental health after consultation with board representatives, develop and submit to the department of mental health, no later than six months prior to the conclusion of the fiscal year in which the board's current plan is scheduled to expire, a community mental health plan listing community mental health needs, including the needs of all residents of the district now residing in state mental institutions and severely mentally disabled adults, children, and adolescents; all children subject to a determination made pursuant to section 121.38 of the Revised Code; and all the facilities and community mental health services that are or will be in operation or provided during the period for which the plan will be in operation in the service district to meet such needs.

The plan shall include, but not be limited to, a statement of which of the services listed in section 340.09 of the Revised Code the board intends to make available. The board must include crisis intervention services for individuals in an emergency situation in the plan and explain how the board intends to make such services available. The plan must also include an explanation of how the board intends to make any payments that it may be required to pay under section 5119.62 of the Revised Code, a statement of the inpatient and community-based services the board proposes that the department operate, an assessment of the number and types of residential facilities needed, such other information as the department requests, and a budget for moneys the board expects to receive. The board shall also submit an allocation request for state and federal funds. Within sixty days after the department's determination that the plan and allocation request are complete, the department shall approve or disapprove the plan and request, in whole or in part, according to the criteria developed pursuant to section 5119.61 of the Revised Code. The department's statement of approval or disapproval shall specify the inpatient and the community-based services that the department will operate for the board. Eligibility

Eligibility for state and federal funding shall be contingent upon an approved plan or relevant part of a plan. ~~The department may provide state~~

~~and federal funding for services included in a plan only if the services are for individuals whose focus of treatment or prevention is a mental disorder according to the edition of the American psychiatric association's diagnostic and statistical manual of mental disorders that is current at the time the funding is provided. This shall include such services for individuals who have a mental disorder and a co-occurring substance use disorder, substance induced disorder, chronic dementing organic mental disorder, mental retardation, or developmental disability. The department may not provide state or federal funding under a plan for a service for individuals whose focus of treatment or prevention is solely a substance use disorder, substance induced disorder, chronic dementing organic mental disorder, mental retardation, or developmental disability.~~

If the director disapproves all or part of any plan, the director shall inform the board of the reasons for the disapproval and of the criteria that must be met before the plan may be approved. The director shall provide the board an opportunity to present its case on behalf of the plan. The director shall give the board a reasonable time in which to meet the criteria, and shall offer the board technical assistance to help it meet the criteria.

If the approval of a plan remains in dispute thirty days prior to the conclusion of the fiscal year in which the board's current plan is scheduled to expire, the board or the director may request that the dispute be submitted to a mutually agreed upon third-party mediator with the cost to be shared by the board and the department. The mediator shall issue to the board and the department recommendations for resolution of the dispute. Prior to the conclusion of the fiscal year in which the current plan is scheduled to expire, the director, taking into consideration the recommendations of the mediator, shall make a final determination and approve or disapprove the plan, in whole or in part.

If a board determines that it is necessary to amend a plan or an allocation request that has been approved under division (A)(1)(c) of this section, the board shall submit a proposed amendment to the director. The director may approve or disapprove all or part of the amendment. If the director does not approve all or part of the amendment within thirty days after it is submitted, the amendment or part of it shall be considered to have been approved. The director shall inform the board of the reasons for disapproval of all or part of an amendment and of the criteria that must be met before the amendment may be approved. The director shall provide the board an opportunity to present its case on behalf of the amendment. The director shall give the board a reasonable time in which to meet the criteria, and shall offer the board technical assistance to help it meet the criteria.

The board shall implement the plan approved by the department.

(d) Receive, compile, and transmit to the department of mental health applications for state reimbursement;

(e) Promote, arrange, and implement working agreements with social agencies, both public and private, and with judicial agencies.

(2) Investigate, or request another agency to investigate, any complaint alleging abuse or neglect of any person receiving services from a community mental health agency as defined in section 5122.01 of the Revised Code, or from a residential facility licensed under section 5119.22 of the Revised Code. If the investigation substantiates the charge of abuse or neglect, the board shall take whatever action it determines is necessary to correct the situation, including notification of the appropriate authorities. Upon request, the board shall provide information about such investigations to the department.

(3) For the purpose of section 5119.611 of the Revised Code, cooperate with the director of mental health in visiting and evaluating whether the services of a community mental health agency satisfy the certification standards established by rules adopted under that section;

(4) In accordance with criteria established under division (G) of section 5119.61 of the Revised Code, review and evaluate the quality, effectiveness, and efficiency of services provided through its community mental health plan and submit its findings and recommendations to the department of mental health;

(5) In accordance with section 5119.22 of the Revised Code, review applications for residential facility licenses and recommend to the department of mental health approval or disapproval of applications;

(6) Audit, in accordance with rules adopted by the auditor of state pursuant to section 117.20 of the Revised Code, at least annually all programs and services provided under contract with the board. In so doing, the board may contract for or employ the services of private auditors. A copy of the fiscal audit report shall be provided to the director of mental health, the auditor of state, and the county auditor of each county in the board's district.

(7) Recruit and promote local financial support for mental health programs from private and public sources;

(8)(a) Enter into contracts with public and private facilities for the operation of facility services included in the board's community mental health plan and enter into contracts with public and private community mental health agencies for the provision of community mental health services that are listed in section 340.09 of the Revised Code and included

in the board's community mental health plan. The board may not contract with a community mental health agency to provide community mental health services included in the board's community mental health plan unless the services are certified by the director of mental health under section 5119.611 of the Revised Code. Section 307.86 of the Revised Code does not apply to contracts entered into under this division. In contracting with a community mental health agency, a board shall consider the cost effectiveness of services provided by that agency and the quality and continuity of care, and may review cost elements, including salary costs, of the services to be provided. A utilization review process shall be established as part of the contract for services entered into between a board and a community mental health agency. The board may establish this process in a way that is most effective and efficient in meeting local needs. In the case of a contract with a community mental health facility, as defined in section 5111.023 of the Revised Code, to provide services listed in division (B) of that section, the contract shall provide for the facility to be paid in accordance with the contract entered into between the departments of job and family services and mental health under section 5111.91 of the Revised Code and any rules adopted under division (A) of section 5119.61 of the Revised Code.

If either the board or a facility or community mental health agency with which the board contracts under division (A)(8)(a) of this section proposes not to renew the contract or proposes substantial changes in contract terms, the other party shall be given written notice at least one hundred twenty days before the expiration date of the contract. During the first sixty days of this one hundred twenty-day period, both parties shall attempt to resolve any dispute through good faith collaboration and negotiation in order to continue to provide services to persons in need. If the dispute has not been resolved sixty days before the expiration date of the contract, either party may notify the department of mental health of the unresolved dispute. The director may require both parties to submit the dispute to a third party with the cost to be shared by the board and the facility or community mental health agency. The third party shall issue to the board, the facility or agency, and the department recommendations on how the dispute may be resolved twenty days prior to the expiration date of the contract, unless both parties agree to a time extension. The director shall adopt rules establishing the procedures of this dispute resolution process.

(b) With the prior approval of the director of mental health, a board may operate a facility or provide a community mental health service as follows, if there is no other qualified private or public facility or community mental

health agency that is immediately available and willing to operate such a facility or provide the service:

(i) In an emergency situation, any board may operate a facility or provide a community mental health service in order to provide essential services for the duration of the emergency;

(ii) In a service district with a population of at least one hundred thousand but less than five hundred thousand, a board may operate a facility or provide a community mental health service for no longer than one year;

(iii) In a service district with a population of less than one hundred thousand, a board may operate a facility or provide a community mental health service for no longer than one year, except that such a board may operate a facility or provide a community mental health service for more than one year with the prior approval of the director and the prior approval of the board of county commissioners, or of a majority of the boards of county commissioners if the district is a joint-county district.

The director shall not give a board approval to operate a facility or provide a community mental health service under division (A)(8)(b)(ii) or (iii) of this section unless the director determines that it is not feasible to have the department operate the facility or provide the service.

The director shall not give a board approval to operate a facility or provide a community mental health service under division (A)(8)(b)(iii) of this section unless the director determines that the board will provide greater administrative efficiency and more or better services than would be available if the board contracted with a private or public facility or community mental health agency.

The director shall not give a board approval to operate a facility previously operated by a person or other government entity unless the board has established to the director's satisfaction that the person or other government entity cannot effectively operate the facility or that the person or other government entity has requested the board to take over operation of the facility. The director shall not give a board approval to provide a community mental health service previously provided by a community mental health agency unless the board has established to the director's satisfaction that the agency cannot effectively provide the service or that the agency has requested the board take over providing the service.

The director shall review and evaluate a board's operation of a facility and provision of community mental health service under division (A)(8)(b) of this section.

Nothing in division (A)(8)(b) of this section authorizes a board to administer or direct the daily operation of any facility or community mental

health agency, but a facility or agency may contract with a board to receive administrative services or staff direction from the board under the direction of the governing body of the facility or agency.

(9) Approve fee schedules and related charges or adopt a unit cost schedule or other methods of payment for contract services provided by community mental health agencies in accordance with guidelines issued by the department as necessary to comply with state and federal laws pertaining to financial assistance;

(10) Submit to the director and the county commissioners of the county or counties served by the board, and make available to the public, an annual report of the programs under the jurisdiction of the board, including a fiscal accounting;

(11) Establish, to the extent resources are available, a community support system, which provides for treatment, support, and rehabilitation services and opportunities. The essential elements of the system include, but are not limited to, the following components in accordance with section 5119.06 of the Revised Code:

(a) To locate persons in need of mental health services to inform them of available services and benefits mechanisms;

(b) Assistance for clients to obtain services necessary to meet basic human needs for food, clothing, shelter, medical care, personal safety, and income;

(c) Mental health care, including, but not limited to, outpatient, partial hospitalization, and, where appropriate, inpatient care;

(d) Emergency services and crisis intervention;

(e) Assistance for clients to obtain vocational services and opportunities for jobs;

(f) The provision of services designed to develop social, community, and personal living skills;

(g) Access to a wide range of housing and the provision of residential treatment and support;

(h) Support, assistance, consultation, and education for families, friends, consumers of mental health services, and others;

(i) Recognition and encouragement of families, friends, neighborhood networks, especially networks that include racial and ethnic minorities, churches, community organizations, and meaningful employment as natural supports for consumers of mental health services;

(j) Grievance procedures and protection of the rights of consumers of mental health services;

(k) Case management, which includes continual individualized

assistance and advocacy to ensure that needed services are offered and procured.

(12) Designate the treatment program, agency, or facility for each person involuntarily committed to the board pursuant to Chapter 5122. of the Revised Code and authorize payment for such treatment. The board shall provide the least restrictive and most appropriate alternative that is available for any person involuntarily committed to it and shall assure that the services listed in section 340.09 of the Revised Code are available to severely mentally disabled persons residing within its service district. The board shall establish the procedure for authorizing payment for services, which may include prior authorization in appropriate circumstances. The board may provide for services directly to a severely mentally disabled person when life or safety is endangered and when no community mental health agency is available to provide the service.

(13) Establish a method for evaluating referrals for involuntary commitment and affidavits filed pursuant to section 5122.11 of the Revised Code in order to assist the probate division of the court of common pleas in determining whether there is probable cause that a respondent is subject to involuntary hospitalization and what alternative treatment is available and appropriate, if any;

(14) Ensure that apartments or rooms built, subsidized, renovated, rented, owned, or leased by the board or a community mental health agency have been approved as meeting minimum fire safety standards and that persons residing in the rooms or apartments are receiving appropriate and necessary services, including culturally relevant services, from a community mental health agency. This division does not apply to residential facilities licensed pursuant to section 5119.22 of the Revised Code.

(15) Establish a mechanism for involvement of consumer recommendation and advice on matters pertaining to mental health services in the alcohol, drug addiction, and mental health service district;

(16) Perform the duties under section 3722.18 of the Revised Code required by rules adopted under section 5119.61 of the Revised Code regarding referrals by the board or mental health agencies under contract with the board of individuals with mental illness or severe mental disability to adult care facilities and effective arrangements for ongoing mental health services for the individuals. The board is accountable in the manner specified in the rules for ensuring that the ongoing mental health services are effectively arranged for the individuals.

(B) The board shall establish such rules, operating procedures, standards, and bylaws, and perform such other duties as may be necessary or

proper to carry out the purposes of this chapter.

(C) A board of alcohol, drug addiction, and mental health services may receive by gift, grant, devise, or bequest any moneys, lands, or property for the benefit of the purposes for which the board is established, and may hold and apply it according to the terms of the gift, grant, or bequest. All money received, including accrued interest, by gift, grant, or bequest shall be deposited in the treasury of the county, the treasurer of which is custodian of the alcohol, drug addiction, and mental health services funds to the credit of the board and shall be available for use by the board for purposes stated by the donor or grantor.

(D) No board member or employee of a board of alcohol, drug addiction, and mental health services shall be liable for injury or damages caused by any action or inaction taken within the scope of the board member's official duties or the employee's employment, whether or not such action or inaction is expressly authorized by this section, section 340.033, or any other section of the Revised Code, unless such action or inaction constitutes willful or wanton misconduct. Chapter 2744. of the Revised Code applies to any action or inaction by a board member or employee of a board taken within the scope of the board member's official duties or employee's employment. For the purposes of this division, the conduct of a board member or employee shall not be considered willful or wanton misconduct if the board member or employee acted in good faith and in a manner that the board member or employee reasonably believed was in or was not opposed to the best interests of the board and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

(E) The meetings held by any committee established by a board of alcohol, drug addiction, and mental health services shall be considered to be meetings of a public body subject to section 121.22 of the Revised Code.

Sec. 505.37. (A) The board of township trustees may establish all necessary rules to guard against the occurrence of fires and to protect the property and lives of the citizens against damage and accidents, and may, with the approval of the specifications by the prosecuting attorney or, if the township has adopted limited home rule government under Chapter 504. of the Revised Code, with the approval of the specifications by the township's law director, purchase, lease, lease with an option to purchase, or otherwise provide any fire apparatus, mechanical resuscitators, or other equipment, appliances, materials, fire hydrants, and water supply for fire-fighting purposes that seems advisable to the board. The board shall provide for the care and maintenance of fire equipment, and, for these purposes, may

purchase, lease, lease with an option to purchase, or construct and maintain necessary buildings, and it may establish and maintain lines of fire-alarm communications within the limits of the township. The board may employ one or more persons to maintain and operate fire-fighting equipment, or it may enter into an agreement with a volunteer fire company for the use and operation of fire-fighting equipment. The board may compensate the members of a volunteer fire company on any basis and in any amount that it considers equitable.

When the estimated cost to purchase fire apparatus, mechanical resuscitators, other equipment, appliances, materials, fire hydrants, buildings, or fire-alarm communications equipment or services exceeds fifty thousand dollars, the contract shall be let by competitive bidding. When competitive bidding is required, the board shall advertise for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the township. The advertisement shall include the time, date, and place where the clerk of the township, or the clerk's designee, will read bids publicly. The time, date, and place of bid openings may be extended to a later date by the board of township trustees, provided that written or oral notice of the change shall be given to all persons who have received or requested specifications not later than ninety-six hours prior to the original time and date fixed for the opening. The board may reject all the bids or accept the lowest and best bid, provided that the successful bidder meets the requirements of section 153.54 of the Revised Code when the contract is for the construction, demolition, alteration, repair, or reconstruction of an improvement.

(B) The boards of township trustees of any two or more townships, or the legislative authorities of any two or more political subdivisions, or any combination of these, may, through joint action, unite in the joint purchase, lease, lease with an option to purchase, maintenance, use, and operation of fire-fighting equipment, or for any other purpose designated in sections 505.37 to 505.42 of the Revised Code, and may prorate the expense of the joint action on any terms that are mutually agreed upon.

(C) The board of township trustees of any township may, by resolution, whenever it is expedient and necessary to guard against the occurrence of fires or to protect the property and lives of the citizens against damages resulting from their occurrence, create a fire district of any portions of the township that it considers necessary. The board may purchase, lease, lease with an option to purchase, or otherwise provide any fire apparatus, appliances, materials, fire hydrants, and water supply for fire-fighting purposes, or may contract for the fire protection for the fire district as

provided in section 9.60 of the Revised Code. The fire district so created shall be given a separate name by which it shall be known.

Additional unincorporated territory of the township may be added to a fire district upon the board's adoption of a resolution authorizing the addition. A municipal corporation that is within or adjoining the township may be added to a fire district upon the board's adoption of a resolution authorizing the addition and the municipal legislative authority's adoption of a resolution or ordinance requesting the addition of the municipal corporation to the fire district.

If the township fire district imposes a tax, additional unincorporated territory of the township or a municipal corporation that is within or adjoining the township shall become part of the fire district only after all of the following have occurred:

(1) Adoption by the board of township trustees of a resolution approving the expansion of the territorial limits of the district and, if the resolution proposes to add a municipal corporation, adoption by the municipal legislative authority of a resolution or ordinance requesting the addition of the municipal corporation to the district;

(2) Adoption by the board of township trustees of a resolution recommending the extension of the tax to the additional territory;

(3) Approval of the tax by the electors of the territory proposed for addition to the district.

Each resolution of the board adopted under division (C)(2) of this section shall state the name of the fire district, a description of the territory to be added, and the rate and termination date of the tax, which shall be the rate and termination date of the tax currently in effect in the fire district.

The board of trustees shall certify each resolution adopted under division (C)(2) of this section to the board of elections in accordance with section 5705.19 of the Revised Code. The election required under division (C)(3) of this section shall be held, canvassed, and certified in the manner provided for the submission of tax levies under section 5705.25 of the Revised Code, except that the question appearing on the ballot shall read:

"Shall the territory within (description of the proposed territory to be added) be added to (name) fire district, and a property tax at a rate of taxation not exceeding (here insert tax rate) be in effect for (here insert the number of years the tax is to be in effect or "a continuing period of time," as applicable)?"

If the question is approved by at least a majority of the electors voting on it, the joinder shall be effective as of the first day of July of the year following approval, and on that date, the township fire district tax shall be

extended to the taxable property within the territory that has been added. If the territory that has been added is a municipal corporation and if it had adopted a tax levy for fire purposes, the levy is terminated on the effective date of the joinder.

Any municipal corporation may withdraw from a township fire district created under division (C) of this section by the adoption by the municipal legislative authority of a resolution or ordinance ordering withdrawal. On the first day of July of the year following the adoption of the resolution or ordinance of withdrawal, the municipal corporation withdrawing ceases to be a part of the district, and the power of the fire district to levy a tax upon taxable property in the withdrawing municipal corporation terminates, except that the fire district shall continue to levy and collect taxes for the payment of indebtedness within the territory of the fire district as it was composed at the time the indebtedness was incurred.

Upon the withdrawal of any municipal corporation from a township fire district created under division (C) of this section, the county auditor shall ascertain, apportion, and order a division of the funds on hand, moneys and taxes in the process of collection except for taxes levied for the payment of indebtedness, credits, and real and personal property, either in money or in kind, on the basis of the valuation of the respective tax duplicates of the withdrawing municipal corporation and the remaining territory of the fire district.

A board of township trustees may remove unincorporated territory of the township from the fire district upon the adoption of a resolution authorizing the removal. On the first day of July of the year following the adoption of the resolution, the unincorporated township territory described in the resolution ceases to be a part of the district, and the power of the fire district to levy a tax upon taxable property in that territory terminates, except that the fire district shall continue to levy and collect taxes for the payment of indebtedness within the territory of the fire district as it was composed at the time the indebtedness was incurred.

(D) The board of township trustees of any township, the board of fire district trustees of a fire district created under section 505.371 of the Revised Code, or the legislative authority of any municipal corporation may purchase, lease, or lease with an option to purchase the necessary fire-fighting equipment, buildings, and sites for the township, fire district, or municipal corporation and issue securities for that purpose with maximum maturities as provided in section 133.20 of the Revised Code. The board of township trustees, board of fire district trustees, or legislative authority may also construct any buildings necessary to house fire-fighting equipment and

issue securities for that purpose with maximum maturities as provided in section 133.20 of the Revised Code.

The board of township trustees, board of fire district trustees, or legislative authority may issue the securities of the township, fire district, or municipal corporation, signed by the board or designated officer of the municipal corporation and attested by the signature of the township fiscal officer, fire district clerk, or municipal clerk, covering any deferred payments and payable at the times provided, which securities shall bear interest not to exceed the rate determined as provided in section 9.95 of the Revised Code, and shall not be subject to Chapter 133. of the Revised Code. The legislation authorizing the issuance of the securities shall provide for levying and collecting annually by taxation, amounts sufficient to pay the interest on and principal of the securities. The securities shall be offered for sale on the open market or given to the vendor or contractor if no sale is made.

Section 505.40 of the Revised Code does not apply to any securities issued, or any lease with an option to purchase entered into, in accordance with this division.

(E) A board of township trustees of any township or a board of fire district trustees of a fire district created under section 505.371 of the Revised Code may purchase a policy or policies of liability insurance for the officers, employees, and appointees of the fire department, fire district, or joint fire district governed by the board that includes personal injury liability coverage as to the civil liability of those officers, employees, and appointees for false arrest, detention, or imprisonment, malicious prosecution, libel, slander, defamation or other violation of the right of privacy, wrongful entry or eviction, or other invasion of the right of private occupancy, arising out of the performance of their duties.

When a board of township trustees cannot, by deed of gift or by purchase and upon terms it considers reasonable, procure land for a township fire station that is needed in order to respond in reasonable time to a fire or medical emergency, the board may appropriate land for that purpose under sections 163.01 to 163.22 of the Revised Code. If it is necessary to acquire additional adjacent land for enlarging or improving the fire station, the board may purchase, appropriate, or accept a deed of gift for the land for these purposes.

(F) As used in this division, "emergency medical service organization" has the same meaning as in section 4766.01 of the Revised Code.

A board of township trustees, by adoption of an appropriate resolution, may choose to have the Ohio medical transportation board license any

emergency medical service organization it operates. If the board adopts such a resolution, Chapter 4766. of the Revised Code, except for sections 4766.06 and 4766.99 of the Revised Code, applies to the organization. All rules adopted under the applicable sections of that chapter also apply to the organization. A board of township trustees, by adoption of an appropriate resolution, may remove its emergency medical service organization from the jurisdiction of the Ohio medical transportation board.

Sec. 505.376. When any expenditure of a fire and ambulance district, other than for the compensation of district employees, exceeds ~~twenty-five~~ fifty thousand dollars, the contract for the expenditure shall be in writing and made with the lowest and best bidder after advertising for not less than two nor more than four consecutive weeks in a newspaper of general circulation within the district. The bids shall be opened and shall be publicly read by the clerk of the district, or the clerk's designee, at the time, date, and place specified in the advertisement to bidders or the specifications. The time, date, and place of bid openings may be extended to a later date by the board of trustees of the district, provided that written or oral notice of the change shall be given to all persons who have received or requested specifications no later than ninety-six hours prior to the original time and date fixed for the opening.

Each bid on any contract shall contain the full name of every person interested in the bid. If the bid is for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement, it shall meet the requirements of section 153.54 of the Revised Code. If the bid is for any other contract, it shall be accompanied by a sufficient bond or certified check, cashier's check, or money order on a solvent bank or savings and loan association that, if the bid is accepted, a contract will be entered into and the performance of it will be properly secured. If the bid for work embraces both labor and material, it shall be separately stated, with the price of the labor and the material. The board may reject any and all bids. The contract shall be between the district and the bidder, and the district shall pay the contract price in cash. When a bonus is offered for completion of a contract prior to a specified date, the board may exact a prorated penalty in like sum for each day of delay beyond the specified date. When there is reason to believe there is collusion or combination among bidders, the bids of those concerned shall be rejected.

Sec. 505.705. A board of township trustees may agree to appropriate township general revenue fund moneys to, and may agree to grant or lend moneys from the township general revenue fund to, any political subdivision with authority to provide water ~~or, sanitary~~ sewerage ~~services,~~ or ~~both, to~~

storm water drainage within the township, for the purpose of providing moneys to the political subdivision to pay for the planning of or actual costs, fees, debt retirement, or any other expense, including, but not limited to, administrative and professional fees, incurred in supplying one or more of these purposes within the township, or the planning of or actual construction, maintenance, repair, and or operation of water or, sanitary sewerage systems, or both, that service storm water drainage within the township. A board of township trustees that grants or lends moneys to a political subdivision for this purpose shall expressly state the terms of the grant or loan agreement in a written memorandum.

Sec. 517.08. The proceeds arising from the sale of cemetery lots under section 517.07 of the Revised Code shall be used in maintaining, improving, beautifying, and embellishing such grounds, except that upon unanimous consent of the board of township trustees, such proceeds may be used in the purchase or appropriation of additional land for cemetery purposes in accordance with sections 517.01 and 517.13 of the Revised Code; and the board of township trustees may build and maintain proper and secure fences around all such cemeteries, to be paid for from the township funds.

Sec. 709.01. Territory may be annexed to, merged with, or detached from, municipal corporations, in the manner provided in ~~sections 709.01 to 709.47 of the Revised Code. No this chapter,~~ provided that no territory lying within the boundaries of a military base, camp, or similar installation under the jurisdiction of a military department of the United States government, that is used for the housing of members of the armed forces of the United States and is a center for military operations of the department shall be annexed to or merged with a municipal corporation under ~~sections 709.01 to 709.21 of the Revised Code~~ this chapter without the approval of the secretary of defense of the United States, ~~his~~ the secretary's designee, or other person having authority under federal law to give such approval.

Sec. 711.001. As used in this chapter:

(A) "Plat" means a map of a tract or parcel of land.

(B) "Subdivision" means either of the following:

(1) The division of any parcel of land shown as a unit or as contiguous units on the last preceding general tax list and duplicate of real and public utility property, into two or more parcels, sites, or lots, any one of which is less than five acres for the purpose, whether immediate or future, of transfer of ownership, provided, however, that the following are exempt:

(a) A division or partition of land into parcels of more than five acres not involving any new streets or easements of access;

(b) The sale or exchange of parcels between adjoining lot owners, where

that sale or exchange does not create additional building sites;

(c) If the planning authority adopts a rule in accordance with section 711.133 of the Revised Code that exempts from division (B)(1) of this section any parcel of land that is four acres or more, parcels in the size range delineated in that rule.

(2) The improvement of one or more parcels of land for residential, commercial, or industrial structures or groups of structures involving the division or allocation of land for the opening, widening, or extension of any public or private street or streets, except private streets serving industrial structures, or involving the division or allocation of land as open spaces for common use by owners, occupants, or leaseholders or as easements for the extension and maintenance of public or private sewer, water, storm drainage, or other similar facilities.

(C) "Household sewage treatment system" has the same meaning as in section 3709.091 of the Revised Code.

Sec. 711.05. (A) Upon the submission of a plat for approval, in accordance with section 711.041 of the Revised Code, the board of county commissioners shall certify on it the date of the submission. Within five days of submission of the plat, the board shall schedule a meeting to consider the plat and send a written notice by regular mail to the fiscal officer of the board of township trustees of the township in which the plat is located and the board of health of the health district in which the plat is located. The notice shall inform the trustees and the board of health of the submission of the plat and of the date, time, and location of any meeting at which the board of county commissioners will consider or act upon the proposed plat. The meeting shall take place within thirty days of submission of the plat, and no meeting shall be held until at least seven days have passed from the date the notice was sent by the board of county commissioners. The approval of the board required by section 711.041 of the Revised Code or the refusal to approve shall take place within thirty days from the date of submission or such further time as the applying party may agree to in writing; otherwise, the plat is deemed approved and may be recorded as if bearing such approval.

(B) The board may adopt general rules governing plats and subdivisions of land falling within its jurisdiction, to secure and provide for the coordination of the streets within the subdivision with existing streets and roads or with existing county highways, for the proper amount of open spaces for traffic, circulation, and utilities, and for the avoidance of future congestion of population detrimental to the public health, safety, or welfare, but shall not impose a greater minimum lot area than forty-eight hundred

square feet. Before the board may amend or adopt rules, it shall notify all the townships in the county of the proposed amendments or rules by regular mail at least thirty days before the public meeting at which the proposed amendments or rules are to be considered.

The rules may require the board of health to review and comment on a plat before the board of county commissioners acts upon it and may also require proof of compliance with any applicable zoning resolutions, and with rules governing household sewage treatment systems, as a basis for approval of a plat. Where under section 711.101 of the Revised Code the board of county commissioners has set up standards and specifications for the construction of streets, utilities, and other improvements for common use, the general rules may require the submission of appropriate plans and specifications for approval. The board shall not require the person submitting the plat to alter the plat or any part of it as a condition for approval, as long as the plat is in accordance with general rules governing plats and subdivisions of land, adopted by the board as provided in this section, in effect at the time the plat was submitted and the plat is in accordance with any standards and specifications set up under section 711.101 of the Revised Code, in effect at the time the plat was submitted.

(C) The ground of refusal to approve any plat, submitted in accordance with section 711.041 of the Revised Code, shall be stated upon the record of the board, and, within sixty days thereafter, the person submitting any plat that the board refuses to approve may file a petition in the court of common pleas of the county in which the land described in the plat is situated to review the action of the board. A board of township trustees is not entitled to appeal a decision of the board of county commissioners under this section.

Sec. 711.10. (A) Whenever a county planning commission or a regional planning commission adopts a plan for the major streets or highways of the county or region, no plat of a subdivision of land within the county or region, other than land within a municipal corporation or land within three miles of a city or one and one-half miles of a village as provided in section 711.09 of the Revised Code, shall be recorded until it is approved by the county or regional planning commission under division (C) of this section and the approval is endorsed in writing on the plat.

(B) A county or regional planning commission may require the submission of a preliminary plan for each plat sought to be recorded. If the commission requires this submission, it shall provide for a review process for the preliminary plan. Under this review process, the planning commission shall give its approval, its approval with conditions, or its

disapproval of each preliminary plan. The commission's decision shall be in writing, shall be under the signature of the secretary of the commission, and shall be issued within thirty-five business days after the submission of the preliminary plan to the commission. The disapproval of a preliminary plan shall state the reasons for the disapproval. A decision of the commission under this division is preliminary to and separate from the commission's decision to approve, conditionally approve, or refuse to approve a plat under division (C) of this section.

(C) Within five calendar days after the submission of a plat for approval under this division, the county or regional planning commission shall schedule a meeting to consider the plat and send a notice by regular mail or by electronic mail to the fiscal officer of the board of township trustees of the township in which the plat is located and the board of health of the health district in which the plat is located. The notice shall inform the trustees and the board of health of the submission of the plat and of the date, time, and location of any meeting at which the county or regional planning commission will consider or act upon the plat. The meeting shall take place within thirty calendar days after submission of the plat, and no meeting shall be held until at least seven calendar days have passed from the date the planning commission sent the notice.

The approval of the county or regional planning commission, the commission's conditional approval as described in this division, or the refusal of the commission to approve shall be endorsed on the plat within thirty calendar days after the submission of the plat for approval under this division or within such further time as the applying party may agree to in writing; otherwise that plat is deemed approved, and the certificate of the commission as to the date of the submission of the plat for approval under this division and the failure to take action on it within that time shall be sufficient in lieu of the written endorsement or evidence of approval required by this division.

A county or regional planning commission may grant conditional approval under this division to a plat by requiring a person submitting the plat to alter the plat or any part of it, within a specified period after the end of the thirty calendar days, as a condition for final approval under this division. Once all the conditions have been met within the specified period, the commission shall cause its final approval under this division to be endorsed on the plat. No plat shall be recorded until it is endorsed with the commission's final or unconditional approval under this division.

The ground of refusal of approval of any plat submitted under this division, including citation of or reference to the rule violated by the plat,

shall be stated upon the record of the county or regional planning commission. Within sixty calendar days after the refusal under this division, the person submitting any plat that the commission refuses to approve under this division may file a petition in the court of common pleas of the proper county, and the proceedings on the petition shall be governed by section 711.09 of the Revised Code as in the case of the refusal of a planning authority to approve a plat. A board of township trustees is not entitled to appeal a decision of the commission under this division.

A county or regional planning commission shall adopt general rules, of uniform application, governing plats and subdivisions of land falling within its jurisdiction, to secure and provide for the proper arrangement of streets or other highways in relation to existing or planned streets or highways or to the county or regional plan, for adequate and convenient open spaces for traffic, utilities, access of firefighting apparatus, recreation, light, and air, and for the avoidance of congestion of population. The rules may provide for their modification by the commission in specific cases where unusual topographical and other exceptional conditions require the modification. The rules may require the board of health to review and comment on a plat before the commission acts upon it and also may require proof of compliance with any applicable zoning resolutions, and with rules governing household sewage treatment rules adopted under section 3718.02 of the Revised Code systems, as a basis for approval of a plat.

Before adoption of its rules or amendment of its rules, the commission shall hold a public hearing on the adoption or amendment. Notice of the public hearing shall be sent to all townships in the county or region by regular mail or electronic mail at least thirty business days before the hearing. No county or regional planning commission shall adopt any rules requiring actual construction of streets or other improvements or facilities or assurance of that construction as a condition precedent to the approval of a plat of a subdivision unless the requirements have first been adopted by the board of county commissioners after a public hearing. A copy of the rules shall be certified by the planning commission to the county recorders of the appropriate counties.

After a county or regional street or highway plan has been adopted as provided in this section, the approval of plats and subdivisions provided for in this section shall be in lieu of any approvals provided for in other sections of the Revised Code, insofar as the territory within the approving jurisdiction of the county or regional planning commission, as provided in this section, is concerned. Approval of a plat shall not be an acceptance by the public of the dedication of any street, highway, or other way or open

space shown upon the plat.

No county or regional planning commission shall require a person submitting a plat to alter the plat or any part of it as long as the plat is in accordance with the general rules governing plats and subdivisions of land, adopted by the commission as provided in this section, in effect at the time the plat is submitted.

A county or regional planning commission and a city or village planning commission, or platting commissioner or legislative authority of a village, with subdivision regulation jurisdiction over unincorporated territory within the county or region may cooperate and agree by written agreement that the approval of a plat by the city or village planning commission, or platting commissioner or legislative authority of a village, as provided in section 711.09 of the Revised Code, shall be conditioned upon receiving advice from or approval by the county or regional planning commission.

(D) As used in this section, "business day" means a day of the week excluding Saturday, Sunday, or a legal holiday as defined in section 1.14 of the Revised Code.

Sec. 711.131. (A) Notwithstanding sections 711.001 to 711.13 of the Revised Code and except as provided in division (C) of this section, unless the rules adopted under section 711.05, 711.09, or 711.10 of the Revised Code are amended pursuant to division (B) of this section, a proposed division of a parcel of land along an existing public street, not involving the opening, widening, or extension of any street or road, and involving no more than five lots after the original tract has been completely subdivided, may be submitted to the planning authority having approving jurisdiction of plats under section 711.05, 711.09, or 711.10 of the Revised Code for approval without plat. If the authority acting through a properly designated representative finds that a proposed division is not contrary to applicable platting, subdividing, zoning, health, sanitary, or access management regulations, regulations adopted under division (B)(3) of section 307.37 of the Revised Code regarding existing surface or subsurface drainage, or rules governing household sewage treatment ~~rules adopted under section 3718.02 of the Revised Code, including, but not limited to, rules governing household sewage disposal systems, systems,~~ it shall approve the proposed division within seven business days after its submission and, on presentation of a conveyance of the parcel, shall stamp the conveyance "approved by (planning authority); no plat required" and have it signed by its clerk, secretary, or other official as may be designated by it. The planning authority may require the submission of a sketch and other information that is pertinent to its determination under this division.

(B) For a period of up to two years after ~~the effective date of this amendment~~ April 15, 2005, the rules adopted under section 711.05, 711.09, or 711.10 of the Revised Code may be amended within that period to authorize the planning authority involved to approve proposed divisions of parcels of land without plat under this division. If an authority so amends its rules, it may approve no more than five lots without a plat from an original tract as that original tract exists on the effective date of the amendment to the rules. The authority shall make the findings and approve a proposed division in the time and manner specified in division (A) of this section.

(C) This section does not apply to parcels subject to section 711.133 of the Revised Code.

(D) As used in this section:

~~(1)~~ "Business business day" means a day of the week excluding Saturday, Sunday, or a legal holiday as defined in section 1.14 of the Revised Code.

~~(2) "Household sewage disposal system" has the same meaning as in section 3709.091 of the Revised Code.~~

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

(1) "Adjusted federal taxable income" means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

(a) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

(b) Add an amount equal to five per cent of intangible income deducted under division (A)(1)(a) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;

(c) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(d)(i) Except as provided in division (A)(1)(d)(ii) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(ii) Division (A)(1)(d)(i) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.

(e) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

(f) In the case of a real estate investment trust and regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

(g) 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:

(i) Guaranteed payments and other similar amounts paid or accrued to a partner, former partner, member, or former member shall not be allowed as a deductible expense; and

(ii) Amounts paid or accrued to a qualified self-employed retirement plan with respect to an owner or owner-employee of the taxpayer, amounts paid or accrued to or for health insurance for an owner or owner-employee, and amounts paid or accrued to or for life insurance for an owner or owner-employee shall not be allowed as a deduction.

Nothing in division (A)(1) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

Nothing in this chapter shall be construed as limiting or removing the ability of any municipal corporation to administer, audit, and enforce the provisions of its municipal income tax.

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

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

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

(5) "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the Revised Code, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings or other similar games of chance.

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

(7) For taxable years beginning on or after January 1, 2004, "net profit" for a taxpayer other than an individual means adjusted federal taxable income and "net profit" for a taxpayer who is an individual means the individual's profit, other than amounts described in division (F) of this section, required to be reported on schedule C, schedule E, or schedule F.

(8) "Taxpayer" means a person subject to a tax on income levied by a municipal corporation. Except as provided in division (J) of this section, "taxpayer" does not include any person that is a disregarded entity or a qualifying subchapter S subsidiary for federal income tax purposes, but "taxpayer" includes any other person who owns the disregarded entity or qualifying subchapter S subsidiary.

(9) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(10) "Tax administrator" means the individual charged with direct responsibility for administration of a tax on income levied by a municipal corporation and includes:

(a) The central collection agency and the regional income tax agency and their successors in interest, and other entities organized to perform functions similar to those performed by the central collection agency and the regional income tax agency;

(b) A municipal corporation acting as the agent of another municipal corporation; and

(c) Persons retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis.

(11) "Person" includes individuals, firms, companies, business trusts, estates, trusts, partnerships, limited liability companies, associations, corporations, governmental entities, and any other entity.

(12) "Schedule E" means internal revenue service schedule E filed by a taxpayer pursuant to the Internal Revenue Code.

(13) "Schedule F" means internal revenue service schedule F filed by a taxpayer pursuant to the Internal Revenue Code.

(B) No municipal corporation shall tax income at other than a uniform rate.

(C) No municipal corporation shall levy a tax on income at a rate in excess of one per cent without having obtained the approval of the excess by a majority of the electors of the municipality voting on the question at a

general, primary, or special election. The legislative authority of the municipal corporation shall file with the board of elections at least seventy-five days before the day of the election a copy of the ordinance together with a resolution specifying the date the election is to be held and directing the board of elections to conduct the election. The ballot shall be in the following form: "Shall the Ordinance providing for a ... per cent levy on income for (Brief description of the purpose of the proposed levy) be passed?"

	FOR THE INCOME TAX
	AGAINST THE INCOME TAX

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

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

(2)(a) For taxable years beginning on or after January 1, 2004, no municipal corporation shall tax the net profit from a business or profession using any base other than the taxpayer's adjusted federal taxable income.

(b) Division (D)(2)(a) of this section does not apply to any taxpayer required to file a return under section 5745.03 of the Revised Code or to the net profit from a sole proprietorship.

(E) The legislative authority of a municipal corporation may, by ordinance or resolution, exempt from withholding and from a tax on income the following:

(1) Compensation arising from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option; or

(2) Compensation attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code.

If an individual's taxable income includes income against which the taxpayer has taken a deduction for federal income tax purposes as reportable on the taxpayer's form 2106, and against which a like deduction has not been allowed by the municipal corporation, the municipal corporation shall deduct from the taxpayer's taxable income an amount equal to the deduction shown on such form allowable against such income, to the extent not

otherwise so allowed as a deduction by the municipal corporation.

In the case of a taxpayer who has a net profit from a business or profession that is operated as a sole proprietorship, no municipal corporation may tax or use as the base for determining the amount of the net profit that shall be considered as having a taxable situs in the municipal corporation, an amount other than the net profit required to be reported by the taxpayer on schedule C or F from such sole proprietorship for the taxable year.

In the case of a taxpayer who has a net profit from rental activity required to be reported on schedule E, no municipal corporation may tax or use as the base for determining the amount of the net profit that shall be considered as having a taxable situs in the municipal corporation, an amount other than the net profit from rental activities required to be reported by the taxpayer on schedule E for the taxable year.

(F) A municipal corporation shall not tax any of the following:

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

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

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

(4) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official, to the extent that such compensation does not exceed one thousand dollars annually. Such compensation in excess of one thousand dollars may be subjected to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.

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

(6) The income of a public utility, when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code, except a municipal corporation may tax the following, subject to Chapter 5745. of

the Revised Code:

(a) Beginning January 1, 2002, the income of an electric company or combined company;

(b) Beginning January 1, 2004, the income of a telephone company.

As used in division (F)(6) of this section, "combined company," "electric company," and "telephone company" have the same meanings as in section 5727.01 of the Revised Code.

(7) On and after January 1, 2003, items excluded from federal gross income pursuant to section 107 of the Internal Revenue Code;

(8) On and after January 1, 2001, compensation paid to a nonresident individual to the extent prohibited under section 718.011 of the Revised Code;

(9)(a) Except as provided in division (F)(9)(b) and (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.

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

(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733. of the Revised Code, the municipal corporation may continue to impose the tax on such distributive shares to the extent such shares would be so allocated or apportioned to this state only until December 31, 2004, unless a majority of the electors of the municipal corporation voting on the question of continuing to tax such shares after that date vote in favor of that question at an election held November 2, 2004. If a majority of those electors vote in favor of the question, the municipal corporation may continue after December 31, 2004, to impose the tax on such distributive shares only to the extent such shares would be so allocated or apportioned to this state.

(d) For the purposes of division (D) of section 718.14 of the Revised

Code, a municipal corporation shall be deemed to have elected to tax S corporation shareholders' distributive shares of net profits of the S corporation in the hands of the shareholders if a majority of the electors of a municipal corporation vote in favor of a question at an election held under division (F)(9)(b) or (c) of this section. The municipal corporation shall specify by ordinance or rule that the tax applies to the distributive share of a shareholder of an S corporation in the hands of the shareholder of the S corporation.

(10) Employee compensation that is not "qualifying wages" as defined in section 718.03 of the Revised Code;

(11) Beginning August 1, 2007, compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, municipal income tax shall be payable only to the municipal corporation of residence or domicile.

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

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

(I)(1) Nothing in this chapter prohibits a municipal corporation from allowing, by resolution or ordinance, a net operating loss carryforward.

(2) Nothing in this chapter requires a municipal corporation to allow a net operating loss carryforward.

(J)(1) A single member limited liability company that is a disregarded entity for federal tax purposes may elect to be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:

(a) The limited liability company's single member is also a limited

liability company;

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

(c) Not later than December 31, 2004, the limited liability company and its single member each make an election to be treated as a separate taxpayer under division (J) of this section;

(d) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single member;

(e) The Ohio municipal corporation that is the primary place of business of the sole member of the limited liability company consents to the election.

(2) For purposes of division (J)(1)(e) of this section, a municipal corporation is the primary place of business of a limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability is greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 is at least four hundred thousand dollars.

Sec. 718.03. (A) As used in this section:

(1) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual.

(2) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(a) Deduct ~~any~~ the following amounts:

(i) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code;

(ii) For purposes of division (B) of this section, any amount included in wages if the amount constitutes payment on account of sickness or accident disability.

(b) Add the following amounts:

(i) Any amount not included in wages solely because the employee was employed by the employer prior to April 1, 1986;

(ii) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or

ordinance, exempted the amount from withholding and tax. Division (A)(2)(b)(ii) of this section applies only to those amounts constituting ordinary income.

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

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

(c) Deduct any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and has, by resolution or ordinance, been exempted from taxation by the municipal corporation.

(d) Deduct any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance, exempted the amount from withholding and tax.

(B) For taxable years beginning after 2003, no municipal corporation shall require any employer or any agent of any employer or any other payer, to withhold tax with respect to any amount other than qualifying wages. Nothing in this section prohibits an employer from withholding tax on a basis greater than qualifying wages.

(C) An employer is not required to make any withholding with respect to an individual's disqualifying disposition of an incentive stock option if, at the time of the disqualifying disposition, the individual is not an employee of the corporation with respect to whose stock the option has been issued.

(D)(1) An employee is not relieved from liability for a tax by the failure of the employer to withhold the tax as required by a municipal corporation or by the employer's exemption from the requirement to withhold the tax.

(2) The failure of an employer to remit to the municipal corporation the tax withheld relieves the employee from liability for that tax unless the employee colluded with the employer in connection with the failure to remit the tax withheld.

(E) Compensation deferred before ~~the effective date of this amendment~~ June 26, 2003, is not subject to any municipal corporation income tax or municipal income tax withholding requirement to the extent the deferred compensation does not constitute qualifying wages at the time the deferred

compensation is paid or distributed.

Sec. 718.13. (A) Any information gained as a result of returns, investigations, hearings, or verifications required or authorized by this chapter or by a charter or ordinance of a municipal corporation levying an income tax pursuant to this chapter is confidential, and no person shall disclose such information except in accordance with a proper judicial order or in connection with the performance of that person's official duties or the official business of the municipal corporation as authorized by this chapter or the charter or ordinance authorizing the levy. The tax administrator of the municipal corporation may furnish copies of returns filed under this chapter to the internal revenue service and to the tax commissioner.

(B) This section does not prohibit the legislative authority of a municipal corporation, by ordinance or resolution, from authorizing the tax administrator to publish statistics in a form that does not disclose information with respect to particular taxpayers.

Sec. 901.171. The department of agriculture may promote the use of Ohio-produced agricultural goods, including natural spring water, through the issuance of logotypes to qualified producers and processors under a promotional certification program to be developed and administered by the division of markets.

Pursuant to rules adopted under Chapter 119. of the Revised Code, the department may establish reasonable fees and criteria for participation in the program. All such fees shall be credited to the general revenue fund and used to finance the program.

Sec. 901.261. The director of agriculture, in conducting investigations, inquiries, or hearings, may assess the party to an action that is brought before the department of agriculture pursuant to Chapter 119. of the Revised Code the actual costs incurred by the department for depositions, investigations, issuance and service of subpoenas, witness fees, employment of a stenographer and hearing officer, and the production of books, accounts, papers, records, documents, and testimony if the applicable hearing officer determines that the party to the action has failed to comply with any chapter of the Revised Code or any rule adopted under any of those chapters that is administered by the director or if the hearing officer determines that the action was frivolous conduct by the party. Assessment of costs under this section may be appealed to a court of competent jurisdiction.

Nothing in this section shall be construed to apply to investigations, inquiries, or hearings conducted under Chapter 4741. of the Revised Code.

Sec. 1503.05. (A) The chief of the division of forestry may sell timber

and other forest products from the state forest and state forest nurseries whenever the chief considers such a sale desirable and, with the approval of the attorney general and the director of natural resources, may sell portions of the state forest lands when such a sale is advantageous to the state.

(B) Except as otherwise provided in this section, a timber sale agreement shall not be executed unless the person or governmental entity bidding on the sale executes and files a surety bond conditioned on completion of the timber sale in accordance with the terms of the agreement in an amount equal to twenty-five per cent of the highest value cutting section. All bonds shall be given in a form prescribed by the chief and shall run to the state as obligee.

The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by the attorney in fact thereof, with a certified copy of the power of attorney attached. The chief shall not approve the bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state.

In lieu of a bond, the bidder may deposit any of the following:

- (1) Cash in an amount equal to the amount of the bond;
- (2) United States government securities having a par value equal to or greater than the amount of the bond;
- (3) Negotiable certificates of deposit or irrevocable letters of credit issued by any bank organized or transacting business in this state having a par value equal to or greater than the amount of the bond.

The cash or securities shall be deposited on the same terms as bonds. If one or more certificates of deposit are deposited in lieu of a bond, the chief shall require the bank that issued any of the certificates to pledge securities of the aggregate market value equal to the amount of the certificate or certificates that is in excess of the amount insured by the federal deposit insurance corporation. The securities to be pledged shall be those designated as eligible under section 135.18 of the Revised Code. The securities shall be security for the repayment of the certificate or certificates of deposit.

Immediately upon a deposit of cash, securities, certificates of deposit, or letters of credit, the chief shall deliver them to the treasurer of state, who shall hold them in trust for the purposes for which they have been deposited. The treasurer of state is responsible for the safekeeping of the deposits. A bidder making a deposit of cash, securities, certificates of deposit, or letters of credit may withdraw and receive from the treasurer of state, on the written order of the chief, all or any portion of the cash, securities, certificates of deposit, or letters of credit upon depositing with the treasurer

of state cash, other United States government securities, or other negotiable certificates of deposit or irrevocable letters of credit issued by any bank organized or transacting business in this state, equal in par value to the par value of the cash, securities, certificates of deposit, or letters of credit withdrawn.

A bidder may demand and receive from the treasurer of state all interest or other income from any such securities or certificates as it becomes due. If securities so deposited with and in the possession of the treasurer of state mature or are called for payment by their issuer, the treasurer of state, at the request of the bidder who deposited them, shall convert the proceeds of the redemption or payment of the securities into other United States government securities, negotiable certificates of deposit, or cash as the bidder designates.

When the chief finds that a person or governmental agency has failed to comply with the conditions of the person's or governmental agency's bond, the chief shall make a finding of that fact and declare the bond, cash, securities, certificates, or letters of credit forfeited. The chief thereupon shall certify the total forfeiture to the attorney general, who shall proceed to collect the amount of the bond, cash, securities, certificates, or letters of credit.

In lieu of total forfeiture, the surety, at its option, may cause the timber sale to be completed or pay to the treasurer of state the cost thereof.

All moneys collected as a result of forfeitures of bonds, cash, securities, certificates, and letters of credit under this section shall be credited to the state forest fund created in this section.

(C) The chief may grant easements and leases on portions of the state forest lands and state forest nurseries under terms that are advantageous to the state, and the chief may grant mineral rights on a royalty basis on those lands and nurseries, with the approval of the attorney general and the director.

(D) All moneys received from the sale of state forest lands, or in payment for easements or leases on or as rents from those lands or from state forest nurseries, shall be paid into the state treasury to the credit of the state forest fund, which is hereby created. In addition, all moneys received from federal grants, payments, and reimbursements, from the sale of reforestation tree stock, from the sale of forest products, other than standing timber, and from the sale of minerals taken from the state forest lands and state forest nurseries, together with royalties from mineral rights, shall be paid into the state treasury to the credit of the state forest fund. Any other revenues derived from the operation of the state forests and related facilities or equipment also shall be paid into the state treasury to the credit of the

state forest fund, as shall contributions received for the issuance of Smokey Bear license plates under section 4503.574 of the Revised Code and any other moneys required by law to be deposited in the fund.

The state forest fund shall not be expended for any purpose other than the administration, operation, maintenance, development, or utilization of the state forests, forest nurseries, and forest programs, for facilities or equipment incident to them, or for the further purchase of lands for state forest or forest nursery purposes and, in the case of contributions received pursuant to section 4503.574 of the Revised Code, for fire prevention purposes.

All moneys received from the sale of standing timber taken from state forest lands and state forest nurseries shall be deposited into the state treasury to the credit of the forestry holding account redistribution fund, which is hereby created. The moneys shall remain in the fund until they are redistributed in accordance with this division.

The redistribution shall occur at least once each year. To begin the redistribution, the chief first shall determine the amount of all standing timber sold from state forest lands and state forest nurseries, together with the amount of the total sale proceeds, in each county, in each township within the county, and in each school district within the county. The chief next shall determine the amount of the direct costs that the division of forestry incurred in association with the sale of that standing timber. The amount of the direct costs shall be subtracted from the amount of the total sale proceeds and shall be transferred from the forestry holding account redistribution fund to the state forest fund.

The remaining amount of the total sale proceeds equals the net value of the standing timber that was sold. The chief shall determine the net value of standing timber sold from state forest lands and state forest nurseries in each county, in each township within the county, and in each school district within the county and shall send to each county treasurer a copy of the determination at the time that moneys are paid to the county treasurer under this division.

Twenty-five per cent of the net value of standing timber sold from state forest lands and state forest nurseries located in a county shall be transferred from the forestry holding account redistribution fund to the state forest fund. Ten per cent of that net value shall be transferred from the forestry holding account redistribution fund to the general revenue fund. The remaining sixty-five per cent of the net value shall be transferred from the forestry holding account redistribution fund and paid to the county treasurer for the use of the general fund of that county.

The county auditor shall do all of the following:

(1) Retain for the use of the general fund of the county one-fourth of the amount received by the county under division (D) of this section;

(2) Pay into the general fund of any township located within the county and containing such lands and nurseries one-fourth of the amount received by the county from standing timber sold from lands and nurseries located in the township;

(3) Request the board of education of any school district located within the county and containing such lands and nurseries to identify which fund or funds of the district should receive the moneys available to the school district under division (D)(3) of this section. After receiving notice from the board, the county auditor shall pay into the fund or funds so identified one-half of the amount received by the county from standing timber sold from lands and nurseries located in the school district, distributed proportionately as identified by the board.

The division of forestry shall not supply logs, lumber, or other forest products or minerals, taken from the state forest lands or state forest nurseries, to any other agency or subdivision of the state unless payment is made therefor in the amount of the actual prevailing value thereof. This section is applicable to the moneys so received.

Sec. 1504.02. (A) The division of real estate and land management shall do all of the following:

(1) Except as otherwise provided in the Revised Code, coordinate and conduct all real estate functions for the department of natural resources, including at least acquisitions by purchase, lease, gift, devise, bequest, appropriation, or otherwise; grants through sales, leases, exchanges, easements, and licenses; inventories of land; and other related general management duties;

(2) Assist the department and its divisions by providing department-wide planning, including at least master planning, comprehensive planning, capital improvements planning, and special purpose planning such as trails coordination and planning under section 1519.03 of the Revised Code;

~~(3) On behalf of the director of natural resources, administer the coastal management program established under sections 1506.01 to 1506.03 and 1506.05 to 1506.09 of the Revised Code and consult with and provide coordination among state agencies, political subdivisions, the United States and agencies of it, and interstate, regional, and areawide agencies to assist the director in executing the director's duties and responsibilities under that program and to assist the department as the lead agency for the development~~

~~and implementation of the program;~~

~~(4) On behalf of the director, administer sections 1506.10 and 1506.11 and sections 1506.31 to 1506.36 of the Revised Code;~~

(5) Cooperate with the United States and agencies of it and with political subdivisions in administering federal recreation moneys under the "Land and Water Conservation Fund Act of 1965," 78 Stat. 897, 16 U.S.C.A. 4601-8, as amended; prepare and distribute the statewide comprehensive outdoor recreation plan; and administer the state recreational vehicle fund created in section 4519.11 of the Revised Code;

~~(6)~~(4)(a) Support the geographic information system needs for the department as requested by the director, which shall include, but not be limited to, all of the following:

(i) Assisting in the training and education of department resource managers, administrators, and other staff in the application and use of geographic information system technology;

(ii) Providing technical support to the department in the design, preparation of data, and use of appropriate geographic information system applications in order to help solve resource related problems and to improve the effectiveness and efficiency of department delivered services;

(iii) Creating, maintaining, and documenting spatial digital data bases for the division and for other divisions as assigned by the director.

(b) Provide information to and otherwise assist government officials, planners, and resource managers in understanding land use planning and resource management;

(c) Provide continuing assistance to local government officials and others in natural resource digital data base development and in applying and utilizing the geographic information system for land use planning, current agricultural use value assessment, development reviews, coastal management, and other resource management activities;

(d) Coordinate and administer the remote sensing needs of the department, including the collection and analysis of aerial photography, satellite data, and other data pertaining to land, water, and other resources of the state;

(e) Prepare and publish maps and digital data relating to the state's land use and land cover over time on a local, regional, and statewide basis;

(f) Locate and distribute hard copy maps, digital data, aerial photography, and other resource data and information to government agencies and the public.

~~(7)~~(5) Prepare special studies and execute any other duties, functions, and responsibilities requested by the director.

(B) The division may do any of the following:

(1) Coordinate such environmental matters concerning the department and the state as are necessary to comply with the "National Environmental Policy Act of 1969," 83 Stat. 852, 42 U.S.C.A. 4321, as amended, the "Intergovernmental Cooperation Act of 1968," 82 Stat. 1098, 31 U.S.C.A. 6506, and the "Federal Water Pollution Control Act," 91 Stat. 1566 (1977), 33 U.S.C.A. 1251, as amended, and regulations adopted under those acts;

(2) With the approval of the director, coordinate and administer compensatory mitigation grant programs and other programs for streams and wetlands as approved in accordance with certifications and permits issued under sections 401 and 404 of the "Federal Water Pollution Control Act", 91 Stat. 1566(1977), 33 U.S.C.A. 1251, as amended, by the environmental protection agency and the United States army corps of engineers;

(3) Administer any state or federally funded grant program that is related to natural resources and recreation as considered necessary by the director.

Sec. 1506.01. As used in this chapter:

(A) "Coastal area" means the waters of Lake Erie, the islands in the lake, and the lands under and adjacent to the lake, including transitional areas, wetlands, and beaches. The coastal area extends in Lake Erie to the international boundary line between the United States and Canada and landward only to the extent necessary to include shorelands, the uses of which have a direct and significant impact on coastal waters as determined by the director of natural resources.

(B) "Coastal management program" means the comprehensive action of the state and its political subdivisions cooperatively to preserve, protect, develop, restore, or enhance the resources of the coastal area and to ensure wise use of the land and water resources of the coastal area, giving attention to natural, cultural, historic, and aesthetic values; agricultural, recreational, energy, and economic needs; and the national interest. "Coastal management program" includes the establishment of objectives, policies, standards, and criteria concerning, without limitation, protection of air, water, wildlife, rare and endangered species, wetlands and natural areas, and other natural resources in the coastal area; management of coastal development and redevelopment; preservation and restoration of historic, cultural, and aesthetic coastal features; and public access to the coastal area for recreation purposes.

(C) "Coastal management program document" means a comprehensive statement consisting of, without limitation, text, maps, and illustrations that is adopted by the director in accordance with this chapter, describes the

objectives, policies, standards, and criteria of the coastal management program for guiding public and private uses of lands and waters in the coastal area, lists the governmental agencies, including, without limitation, state agencies, involved in implementing the coastal management program, describes their applicable policies and programs, and cites the statutes and rules under which they may adopt and implement those policies and programs.

(D) "Person" means any agency of this state, any political subdivision of this state or of the United States, and any legal entity defined as a person under section 1.59 of the Revised Code.

(E) "Director" means the director of natural resources or the director's designee.

(F) "Permanent structure" means any residential, commercial, industrial, institutional, or agricultural building, any mobile home as defined in division (O) of section 4501.01 of the Revised Code, any manufactured home as defined in division (C)(4) of section 3781.06 of the Revised Code, and any septic system that receives sewage from a single-family, two-family, or three-family dwelling, but does not include any recreational vehicle as defined in section 4501.01 of the Revised Code.

(G) "State agency" or "agency of the state" has the same meaning as "agency" as defined in section 111.15 of the Revised Code.

(H) "Coastal flood hazard area" means any territory within the coastal area that has been identified as a flood hazard area under the "Flood Disaster Protection Act of 1973," 87 Stat. 975, 42 U.S.C.A. 4002, as amended.

(I) "Coastal erosion area" means any territory included in Lake Erie coastal erosion areas identified by the director under section 1506.06 of the Revised Code.

(J) "Conservancy district" means a conservancy district that is established under Chapter 6101. of the Revised Code.

(K) "Park board" means the board of park commissioners of a park district that is created under Chapter 1545. of the Revised Code.

(L) "Erosion control structure" means a structure that is designed solely and specifically to reduce or control erosion of the shore along or near Lake Erie, including, without limitation, revetments, seawalls, bulkheads, certain breakwaters, and similar structures.

(M) "Shore structure" includes, but is not limited to, beaches; groins; revetments; bulkheads; seawalls; breakwaters; certain dikes designated by the chief of the division of water; piers; docks; jetties; wharves; marinas; boat ramps; any associated fill or debris used as part of the construction of shore structures that may affect shore erosion, wave action, or inundation;

and fill or debris that is placed along or near the shore, including bluffs, banks, or beach ridges, for the purpose of stabilizing slopes.

Sec. ~~1521.20~~ 1506.38. The ~~chief director of the division of water~~ natural resources shall act as the erosion agent of the state for the purpose of cooperating with the secretary of the army, acting through the chief of engineers of the United States army corps of engineers in the department of defense. The ~~chief director~~ shall cooperate with the secretary in carrying out, and may conduct, investigations and studies of conditions along the shorelines of Lake Erie and of the bays and projections therefrom, and of the islands therein, within the territorial waters of the state, with a view to devising and perfecting economical and effective methods and works for preventing, correcting, and controlling shore erosion and damage therefrom and controlling the inundation of improved property by the waters of Lake Erie, its bays, and associated inlets.

Sec. ~~1521.21~~ 1506.39. The ~~chief director of the division of water~~ natural resources, in the discharge of the ~~chief's~~ director's duties under sections ~~1507.20~~ 1506.38 to ~~1507.30~~ 1506.48 of the Revised Code, may call to the ~~chief's~~ director's assistance, temporarily, any engineers or other employees in any state department, or in the Ohio state university or other educational institutions financed wholly or in part by the state, for the purpose of devising the most effective and economical methods of controlling shore erosion and damage from it and controlling the inundation of improved property by the waters of Lake Erie and its bays and associated inlets.

Such engineers and employees shall not receive any additional compensation over that which they receive from the departments or institutions by which they are employed, but they shall be reimbursed for their actual necessary expenses incurred while working under the direction of the ~~chief director~~ on erosion and inundation projects.

Sec. ~~1521.22~~ 1506.40. No person shall construct a beach, groin, or other structure to control erosion, wave action, or inundation along or near the Ohio shoreline of Lake Erie, including related islands, bays, and inlets, without first obtaining a shore structure permit from the ~~chief of the division director of water. The natural resources.~~

The application for a ~~shore structure~~ permit shall include detailed plans and specifications prepared by a professional engineer registered under Chapter 4733. of the Revised Code. An applicant shall provide appropriate evidence of compliance with any applicable provisions of this chapter and Chapters 1505. and ~~1506.~~ 1521. of the Revised Code, as determined by the ~~chief director~~. A temporary shore structure permit may be issued by the ~~chief or an authorized representative of the chief~~ director if it is determined

necessary to safeguard life, health, or property.

Each application or reapplication for a permit under this section shall be accompanied by a non-refundable fee as the ~~ehief~~ chief director shall prescribe by rule.

If the application is approved, the ~~ehief~~ chief director shall issue a permit to the applicant authorizing construction of the project. If requested in writing by the applicant within thirty days of issuance of a notice of disapproval of the application, the ~~ehief~~ chief director shall conduct an adjudication hearing under Chapter 119. of the Revised Code, except sections 119.12 and 119.121 of the Revised Code. After reviewing the record of the hearing, the ~~ehief~~ chief director shall issue a final order approving the application, disapproving it, or approving it conditioned on the making of specified revisions in the plans and specifications.

The ~~ehief~~ chief director, by rule, shall limit the period during which a construction permit issued under this section is valid and shall establish reapplication requirements governing a construction permit that expires before construction is completed.

In accordance with Chapter 119. of the Revised Code, the ~~ehief~~ chief director shall adopt, and may amend or rescind, such rules as are necessary for the administration, implementation, and enforcement of this section.

Sec. ~~1521.23~~ 1506.41. All moneys derived from the granting of permits and leases under section 1505.07 of the Revised Code for the removal of sand, gravel, stone, gas, oil, and other minerals and substances from and under the bed of Lake Erie and from applications for shore structure permits submitted under section ~~1521.22~~ 1506.40 of the Revised Code shall be paid into the state treasury to the credit of the permit and lease fund, which is hereby created. Notwithstanding any section of the Revised Code relating to the distribution or crediting of fines for violations of the Revised Code, all fines imposed under division (A) of section 1505.99 of the Revised Code and under division (C) of section ~~1521.99~~ 1506.99 of the Revised Code shall be paid into that fund. The fund shall be administered by the department of natural resources for the protection of Lake Erie shores and waters; investigation and control of erosion; the planning, development, and construction of facilities for recreational use of Lake Erie; implementation of section ~~1521.22~~ 1506.40 of the Revised Code; preparation of the state shore erosion plan under section ~~1521.29~~ 1506.47 of the Revised Code; and state administration of Lake Erie coastal erosion areas under sections 1506.06 and 1506.07 of the Revised Code.

Sec. ~~1521.24~~ 1506.42. The state, acting through the ~~ehief~~ chief director of ~~the division of water~~ natural resources, subject to section ~~1521.28~~ 1506.46 of

the Revised Code, may enter into agreements with counties, townships, municipal corporations, park boards, and conservancy districts, other political subdivisions, or any state departments or divisions for the purpose of constructing and maintaining projects to control erosion along the Ohio shoreline of Lake Erie and in any rivers and bays that are connected with Lake Erie and any other watercourses that flow into Lake Erie. Such projects also may be constructed on any Lake Erie island that is situated within the boundaries of the state.

The cost of such shore erosion projects that are for the benefit of public littoral property shall be prorated on the basis of two-thirds of the total cost to the state through appropriations made to the ~~division~~ department of water natural resources and one-third of the cost to the counties, townships, municipal corporations, park boards, conservancy districts, or other political subdivisions.

If a shore erosion emergency is declared by the governor, the state, acting through the ~~chief~~ director, may spend whatever state funds are available to alleviate shore erosion, without participation by any political subdivision, regardless of whether the project will benefit public or private littoral property.

A board of county commissioners, acting for the county over which it has jurisdiction, may enter into and carry out agreements with the ~~chief~~ director for the construction and maintenance of projects to control shore erosion. In providing the funds for the county's proportionate share of the cost of constructing and maintaining the projects referred to in this section, the board shall be governed by and may issue and refund bonds in accordance with Chapter 133. of the Revised Code.

A municipal corporation or a township, acting through the legislative authority or the board of township trustees, may enter into and carry out agreements with the ~~chief~~ director for the purpose of constructing and maintaining projects to control shore erosion. In providing the funds for the municipal corporation's or township's proportionate share of the cost of constructing and maintaining the projects referred to in this section, a municipal corporation or township may issue and refund bonds in accordance with Chapter 133. of the Revised Code. The contract shall be executed on behalf of the municipal corporation or township by the mayor, city manager, or other chief executive officer who has the authority to act for the municipal corporation or township.

Conservancy districts may enter into and carry out agreements with the ~~chief~~ director, in accordance with the intent of this section, under the powers conferred upon conservancy districts under Chapter 6101. of the Revised

Code.

Park boards may enter into and carry out agreements with the ~~chief~~ director, in accordance with the intent of this section, and issue bonds for that purpose under the powers conferred upon park districts under Chapter 1545. of the Revised Code.

The ~~chief~~ director shall approve and supervise all projects that are to be constructed in accordance with this section. The ~~chief~~ director shall not proceed with the construction of any project until all funds that are to be paid by the county, township, municipal corporation, park board, or conservancy district, in accordance with the terms of the agreement entered into between the ~~chief~~ director and the county, township, municipal corporation, park board, or conservancy district, are in the ~~chief's~~ director's possession and deposited in the shore erosion fund, which is hereby created in the state treasury. If the ~~chief~~ director finds it to be in the best interests of the state to construct projects as set forth in this section by the state itself, without the financial contribution of counties, townships, municipal corporations, park boards, or conservancy districts, the ~~chief~~ director may construct the projects.

In deciding whether to assist a county or municipal corporation in constructing and maintaining a project under this section, the state, acting through the ~~chief~~ director, shall consider, among other factors, whether the county or municipal corporation has adopted or is in the process of adopting a Lake Erie coastal erosion area resolution or ordinance under division (D) of section 1506.07 of the Revised Code.

All projects constructed by the state in conformity with sections ~~1521.20~~ 1506.38 to ~~1521.28~~ 1506.46 of the Revised Code shall be constructed subject to sections 153.01 to 153.20 of the Revised Code, except that the state architect and engineer is not required to prepare the plans and specifications for those projects.

Sec. ~~1521.25~~ 1506.43. The ~~chief~~ director of ~~the division of water~~ natural resources may enter into a contract with any county, township, municipal corporation, conservancy district, or park board that has an agreement with the state in accordance with section ~~1521.24~~ 1506.42 of the Revised Code for the construction of a shore erosion project. No contract shall be let until all money that is to be paid by the political subdivision entering into the agreement has been deposited in the shore erosion fund created in ~~that~~ that section ~~1521.24~~ 1506.42 of the Revised Code, and ~~no contract shall be valid until approved by the director of natural resources.~~

Sec. ~~1521.26~~ 1506.44. (A) A board of county commissioners may use a loan obtained under division (C) of this section to provide financial

assistance to any person who owns real property in a coastal erosion area, ~~as defined in section 1506.01 of the Revised Code,~~ and who has received a permit under section ~~1521.22~~ 1506.40 of the Revised Code to construct an erosion control structure in that coastal erosion area. The board shall enter into an agreement with the person that complies with all of the following requirements:

(1) The agreement shall identify the person's real property for which the erosion control structure is being constructed and shall include a legal description of that property and a reference to the volume and page of the deed record in which the title of that person to that property is recorded.

(2) In accordance with rules adopted by the Ohio water development authority under division (V) of section 6121.04 of the Revised Code for the purposes of division (C) of this section and pursuant to an agreement between the board and the authority under that division, the board shall agree to cause payments to be made by the authority to the contractor hired by the person to construct an erosion control structure in amounts not to exceed the total amount specified in the agreement between the board and the person.

(3) The person shall agree to pay to the board, or to the authority as the assignee pursuant to division (C) of this section, the total amount of the payments plus administrative or other costs of the board or the authority at times, in installments, and bearing interest as specified in the agreement.

The agreement may contain additional provisions that the board determines necessary to safeguard the interests of the county or to comply with an agreement entered into under division (C) of this section.

(B) Upon entering into an agreement under division (A) of this section, the board shall do all of the following:

(1) Cause the agreement to be recorded in the county deed records in the office of the county recorder of the county in which the real property is situated. Failure to record the agreement does not affect the validity of the agreement or the collection of any amounts due under the agreement.

(2) Establish by resolution an erosion control repayment fund into which shall be deposited all amounts collected under division (B)(3) of this section. Moneys in that fund shall be used by the board for the repayment of the loan and for administrative or other costs of the board or the authority as specified in an agreement entered into under division (C) of this section. If the amount of money in the fund is inadequate to repay the loan when due, the board of county commissioners, by resolution, may advance money from any other fund in order to repay the loan if that use of the money from the other fund is not in conflict with law. If the board so advances money in

order to repay the loan, the board subsequently shall reimburse each fund from which the board advances money with moneys from the erosion control repayment fund.

(3) Bill and collect all amounts when due under the agreement entered into under division (A) of this section. The board shall certify amounts not paid when due to the county auditor, who shall enter the amounts on the real property tax list and duplicate against the property identified under division (A)(1) of this section. The amounts not paid when due shall be a lien on that property from the date on which the amounts are placed on the tax list and duplicate and shall be collected in the same manner as other taxes.

(C) A board may apply to the authority for a loan for the purpose of entering into agreements under division (A) of this section. The loan shall be for an amount and on the terms established in an agreement between the board and the authority. The board may assign any agreements entered into under division (A) of this section to the authority in order to provide for the repayment of the loan and may pledge any lawfully available revenues to the repayment of the loan, provided that no moneys raised by taxation shall be obligated or pledged by the board for the repayment of the loan. Any agreement with the authority pursuant to this division is not subject to Chapter 133. of the Revised Code or any requirements or limitations established in that chapter.

(D) The authority, as assignee of any agreement pursuant to division (C) of this section, may enforce and compel the board and the county auditor by mandamus pursuant to Chapter 2731. of the Revised Code to comply with division (B) of this section in a timely manner.

(E) The construction of an erosion control structure by a contractor hired by an individual homeowner, group of individual homeowners, or homeowners association that enters into an agreement with a board under division (A) of this section is not a public improvement, as defined in section 4115.03 of the Revised Code, and is not subject to competitive bidding or public bond laws.

Sec. ~~1521.27~~ 1506.45. The state, or any county, township, municipal corporation, conservancy district, or park board that has entered into a contract under section ~~1521.25~~ 1506.43 of the Revised Code, may acquire lands by gift or devise, purchase, or appropriation. In case of appropriation, the proceedings shall be instituted in the name of the state or the political subdivision and shall be conducted in the manner provided for the appropriation of private property by the state or the political subdivision insofar as those proceedings are applicable. Either the fee or any lesser interest may be acquired as the state or the political subdivision considers

advisable.

Sec. ~~1521.28~~ 1506.46. Any action taken by the ~~chief director of the division of water~~ natural resources under sections ~~1521.20~~ 1506.38 to ~~1521.30~~ 1506.48 of the Revised Code shall not be deemed in conflict with certain powers and duties conferred upon and delegated to federal agencies and to municipal corporations under Section 7 of Article XVIII, Ohio Constitution, or as provided by sections 721.04 to 721.11 of the Revised Code.

Sec. ~~1521.29~~ 1506.47. The ~~chief director of the division of water~~ natural resources, in cooperation with appropriate offices and divisions, including the division of geological survey, may prepare a plan for the management of shore erosion in the state along Lake Erie, its bays, and associated inlets, revise the plan whenever it can be made more effective, and make the plan available for public inspection. In the preparation of the plan, the ~~chief director~~ may employ such existing plans as are available.

The ~~chief director~~ also may establish a program to provide technical assistance on shore erosion control measures to municipal corporations, counties, townships, conservancy districts, park boards, and shoreline property owners.

Sec. ~~1521.30~~ 1506.48. Upon application of any owner of real property damaged or destroyed by shore erosion, the county auditor of the county in which the real property is situated shall cause a reappraisal to be made and shall place the property on the tax list at its true value in money.

Whenever the county auditor finds that ninety per cent or more of the area of any littoral parcel of land appearing upon the tax duplicate has been eroded and lies within the natural boundaries of Lake Erie and that the remainder of the parcel, if any, has no taxable value, the auditor may certify that finding to the county board of revision. Upon consideration thereof, the board may authorize removal of the parcel from the tax duplicate and cancellation of all current and delinquent taxes, assessments, interest, and penalties charged against the parcel.

Sec. 1506.99. (A) Whoever violates division (A) of section 1506.09 of the Revised Code shall be fined not less than one hundred nor more than five hundred dollars for each offense.

(B) Whoever violates division (K) of section 1506.32 of the Revised Code is guilty of a misdemeanor of the third degree.

(C) Whoever violates sections 1506.38 to 1506.48 of the Revised Code shall be fined not less than one hundred dollars nor more than five hundred dollars for each offense. Each day of violation constitutes a separate offense.

Sec. 1513.08. (A) After a coal mining and reclamation permit

application has been approved, ~~but before the permit is issued,~~ the applicant shall file with the chief of the division of mineral resources management, on a form prescribed and furnished by the chief, the performance security required under this section.

(B) Using the information contained in the permit application; the requirements contained in the approved permit and reclamation plan; and, after considering the topography, geology, hydrology, and revegetation potential of the area of the approved permit, the probable difficulty of reclamation; the chief shall determine the estimated cost of reclamation under the initial term of the permit if the reclamation has to be performed by the division of mineral resources management in the event of forfeiture of the performance security by the applicant. The chief shall send written notice of the amount of the estimated cost of reclamation by certified mail to the applicant. The applicant shall send written notice to the chief indicating the method by which the applicant will provide the performance security pursuant to division (C) of this section.

(C) The applicant shall provide the performance security in an amount using one of the following:

(1) If the applicant elects to provide performance security without reliance on the reclamation forfeiture fund created in section 1513.18 of the Revised Code, the amount of the estimated cost of reclamation as determined by the chief under division (B) of this section for the increments of land on which the operator will conduct a coal mining and reclamation operation under the initial term of the permit as indicated in the application;

(2) If the applicant elects to provide performance security together with reliance on the reclamation forfeiture fund through payment of the additional tax on the severance of coal that is levied under division (A)(8) of section 5749.02 of the Revised Code, an amount of twenty-five hundred dollars per acre of land on which the operator will conduct coal mining and reclamation under the initial term of the permit as indicated in the application. However, in order for an applicant to be eligible to provide performance security in accordance with division (C)(2) of this section, ~~an~~ the applicant, an owner and controller of the applicant, or an affiliate of the applicant shall have held a permit issued under this chapter for any coal mining and reclamation operation for a period of not less than five years. In the event of forfeiture of performance security that was provided in accordance with division (C)(2) of this section, the difference between the amount of that performance security and the estimated cost of reclamation as determined by the chief under division (B) of this section shall be obtained from money in the reclamation forfeiture fund as needed to

complete the reclamation.

The performance security provided under division (C) of this section for the entire area to be mined under one permit issued under this chapter shall not be less than ten thousand dollars.

The performance security shall cover areas of land affected by mining within or immediately adjacent to the permitted area, so long as the total number of acres does not exceed the number of acres for which the performance security is provided. However, the authority for the performance security to cover areas of land immediately adjacent to the permitted area does not authorize a permittee to mine areas outside an approved permit area. As succeeding increments of coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the chief additional performance security to cover the increments in accordance with this section. If a permittee intends to mine areas outside the approved permit area, the permittee shall provide additional performance security in accordance with this section to cover the areas to be mined.

An applicant shall provide performance security in accordance with division (C)(1) of this section in the full amount of the estimated cost of reclamation as determined by the chief for a permitted coal preparation plant or coal refuse disposal area that is not located within a permitted area of a mine. A permittee shall provide the performance security not later than one year after ~~the effective date of this amendment~~ April 6, 2007, for a permitted coal preparation plant or coal refuse disposal area that is in existence on ~~the effective date of this amendment~~ April 6, 2007, and that is not located within a permitted area of a mine.

(D) A permittee's liability under the performance security shall be limited to the obligations established under the permit, which include completion of the reclamation plan in order to make the land capable of supporting the postmining land use that was approved in the permit. The period of liability under the performance security shall be for the duration of the coal mining and reclamation operation and for a period coincident with the operator's responsibility for revegetation requirements under section 1513.16 of the Revised Code.

(E) The amount of the estimated cost of reclamation determined under division (B) of this section and the amount of a permittee's performance security provided in accordance with division (C)(1) of this section may be adjusted by the chief as the land that is affected by mining increases or decreases or if the cost of reclamation increases or decreases. If the performance security was provided in accordance with division (C)(2) of

this section and the chief has issued a cessation order under division (D)(2) of section 1513.02 of the Revised Code for failure to abate a violation of the contemporaneous reclamation requirement under division (A)(15) of section 1513.16 of the Revised Code, the chief may require the permittee to increase the amount of performance security from twenty-five hundred dollars per acre of land to five thousand dollars per acre of land.

The chief shall notify the permittee, each surety, and any person who has a property interest in the performance security and who has requested to be notified of any proposed adjustment to the performance security. The permittee may request an informal conference with the chief concerning the proposed adjustment, and the chief shall provide such an informal conference.

If the chief increases the amount of performance security under this division, the permittee shall provide additional performance security in an amount determined by the chief. If the chief decreases the amount of performance security under this division, the chief shall determine the amount of the reduction of the performance security and send written notice of the amount of reduction to the permittee. The permittee may reduce the amount of the performance security in the amount determined by the chief.

(F) A permittee may request a reduction in the amount of the performance security by submitting to the chief documentation proving that the amount of the performance security provided by the permittee exceeds the estimated cost of reclamation if the reclamation would have to be performed by the division in the event of forfeiture of the performance security. The chief shall examine the documentation and determine whether the permittee's performance security exceeds the estimated cost of reclamation. If the chief determines that the performance security exceeds that estimated cost, the chief shall determine the amount of the reduction of the performance security and send written notice of the amount to the permittee. The permittee may reduce the amount of the performance security in the amount determined by the chief. Adjustments in the amount of performance security under this division shall not be considered release of performance security and are not subject to section 1513.16 of the Revised Code.

(G) If the performance security is a bond, it shall be executed by the operator and a corporate surety licensed to do business in this state. If the performance security is a cash deposit or negotiable certificates of deposit of a bank or savings and loan association, the bank or savings and loan association shall be licensed and operating in this state. The cash deposit or market value of the securities shall be equal to or greater than the amount of

the performance security required under this section. The chief shall review any documents pertaining to the performance security and approve or disapprove the documents. The chief shall notify the applicant of the chief's determination.

(H) If the performance security is a bond, the chief may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the chief the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond the amount.

(I) Performance security provided under this section may be held in trust, provided that the state is the conditional beneficiary of the trust and the custodian of the performance security held in trust is a bank, trust company, or other financial institution that is licensed and operating in this state. The chief shall review the trust document and approve or disapprove the document. The chief shall notify the applicant of the chief's determination.

(J) If a surety, bank, savings and loan association, trust company, or other financial institution that holds the performance security required under this section becomes insolvent, the permittee shall notify the chief of the insolvency, and the chief shall order the permittee to submit a plan for replacement performance security within thirty days after receipt of notice from the chief. If the permittee provided performance security in accordance with division (C)(1) of this section, the permittee shall provide the replacement performance security within ninety days after receipt of notice from the chief. If the permittee provided performance security in accordance with division (C)(2) of this section, the permittee shall provide the replacement performance security within one year after receipt of notice from the chief, and, for a period of one year after the permittee's receipt of notice from the chief or until the permittee provides the replacement performance security, whichever occurs first, money in the reclamation forfeiture fund shall be the permittee's replacement performance security in an amount not to exceed the estimated cost of reclamation as determined by the chief.

(K) A permittee's responsibility for repairing material damage and replacement of water supply resulting from subsidence may be satisfied by liability insurance required under this chapter in lieu of the permittee's performance security if the liability insurance policy contains terms and conditions that specifically provide coverage for repairing material damage and replacement of water supply resulting from subsidence.

(L) If the performance security provided in accordance with this section exceeds the estimated cost of reclamation, the chief may authorize the amount of the performance security that exceeds the estimated cost of reclamation together with any interest or other earnings on the performance security to be paid to the permittee.

(M) A permittee that held a valid coal mining and reclamation permit immediately prior to April 6, 2007, shall provide, not later than a date established by the chief, performance security in accordance with division (C)(1) or (2) of this section, rather than in accordance with the law as it existed prior to that date, by filing it with the chief on a form that the chief prescribes and furnishes. Accordingly, for purposes of this section, "applicant" is deemed to include such a permittee.

(N) As used in this section:

(1) "Affiliate of the applicant" means an entity that has a parent entity in common with the applicant.

(2) "Owner and controller of the applicant" means a person that has any relationship with the applicant that gives the person authority to determine directly or indirectly the manner in which the applicant conducts coal mining operations.

Sec. 1513.18. (A) All money that becomes the property of the state under division (G) of section 1513.16 of the Revised Code shall be deposited in the reclamation forfeiture fund, which is hereby created in the state treasury. Disbursements from the fund shall be made by the chief of the division of mineral resources management for the purpose of reclaiming areas of land affected by coal mining under a coal mining and reclamation permit issued on or after September 1, 1981, on which an operator has defaulted.

(B) The fund also shall consist of all money from the collection of liens under section 1513.081 of the Revised Code, any moneys transferred to it under section 1513.181 of the Revised Code from the coal mining and reclamation reserve fund created in that section, fines collected under division (E) of section 1513.02 and section 1513.99 of the Revised Code, fines collected for a violation of section 2921.31 of the Revised Code that, prior to July 1, 1996, would have been a violation of division (G) of section 1513.17 of the Revised Code as it existed prior to that date, and moneys collected and credited to it pursuant to section 5749.02 of the Revised Code. Disbursements from the fund shall be made by the chief in accordance with division (D) of this section for the purpose of reclaiming areas that an operator has affected by mining and failed to reclaim under a coal mining and reclamation permit issued under this chapter or under a surface mining

permit issued under Chapter 1514. of the Revised Code.

The chief may expend moneys from the fund to pay necessary administrative costs, including engineering and design services, incurred by the division of mineral resources management in reclaiming these areas. The chief also may expend moneys from the fund to pay necessary administrative costs of the reclamation forfeiture fund advisory board created in section 1513.182 of the Revised Code as authorized by the board under that section. Expenditures from the fund to pay such administrative costs need not be made under contract.

(C) Except when paying necessary administrative costs authorized by division (B) of this section, expenditures from the fund shall be made under contracts entered into by the chief, with the approval of the director of natural resources, in accordance with procedures established by the chief, by rules adopted in accordance with section 1513.02 of the Revised Code. The chief may reclaim the land in the same manner as set forth in sections 1513.21 to 1513.24 of the Revised Code. Each contract awarded by the chief shall be awarded to the lowest responsive and responsible bidder, in accordance with section 9.312 of the Revised Code, after sealed bids are received, opened, and published at the time and place fixed by the chief. The chief shall publish notice of the time and place at which bids will be received, opened, and published, at least once and at least ten days before the date of the opening of the bids, in a newspaper of general circulation in the county in which the area of land to be reclaimed under the contract is located. If, after advertising, no bids are received at the time and place fixed for receiving them, the chief may advertise again for bids, or, if the chief considers the public interest will best be served, the chief may enter into a contract for the reclamation of the area of land without further advertisement for bids. The chief may reject any or all bids received and again publish notice of the time and place at which bids for contracts will be received, opened, and published. The chief, with the approval of the director, may enter into a contract with the landowner, a coal mine operator or surface mine operator mining under a current, valid permit issued under this chapter or Chapter 1514. of the Revised Code, or a contractor hired by the surety or trustee, if the performance security is held in trust, to complete reclamation to carry out reclamation on land affected by coal mining on which an operator has defaulted without advertising for bids.

(D)(1) The chief shall expend money credited to the reclamation forfeiture fund from the forfeiture of the performance security applicable to an area of land to pay for the cost of the reclamation of the land.

(2) If the performance security for the area of land was provided under

division (C)(1) of section 1513.08 of the Revised Code, the chief shall use the money from the forfeited performance security to complete the reclamation that the operator failed to do under the operator's applicable coal mining and reclamation permit issued under this chapter.

(3) If the performance security for the area of land was provided under division (C)(2) of section 1513.08 of the Revised Code, the chief shall use the money from the forfeited performance security to complete the reclamation that the operator failed to do under the operator's applicable coal mining and reclamation permit issued under this chapter. If the money credited to the reclamation forfeiture fund from the forfeiture of the performance security provided under division (C)(2) of section 1513.08 of the Revised Code is not sufficient to complete the reclamation, the chief shall notify the reclamation forfeiture fund advisory board of the amount of the insufficiency. The chief may expend money credited to the reclamation forfeiture fund under section 5749.02 of the Revised Code or transferred to the fund under section 1513.181 of the Revised Code to complete the reclamation. The chief shall not expend money from the fund in an amount that exceeds the difference between the amount of the performance security provided under division (C)(2) of section 1513.08 of the Revised Code and the estimated cost of reclamation as determined by the chief under divisions (B) and (E) of that section.

(4) Money from the reclamation forfeiture fund shall not be used for reclamation of land or water resources affected by material damage from subsidence; or mine drainage that requires extended water treatment after reclamation is completed under the terms of the permit; or coal preparation plants or coal refuse disposal areas not located within a permitted area of a mine if performance security for the area of land was provided under division (C)(2) of section 1513.08 of the Revised Code. In addition, money from the reclamation forfeiture fund shall not be used to supplement the performance security of an applicant or permittee that has provided performance security in accordance with division (C)(1) of section 1513.08 of the Revised Code.

(E) The chief shall keep a detailed accounting of the expenditures from the reclamation forfeiture fund to complete reclamation of the land and, upon completion of the reclamation, shall certify the expenditures to the attorney general. Upon the chief's certification of the expenditures from the reclamation forfeiture fund, the attorney general shall bring an action for that amount of money. The operator is liable for that expense in addition to any other liabilities imposed by law. Moneys so recovered shall be credited to the reclamation forfeiture fund. The chief shall not postpone the

reclamation because of any action brought by the attorney general under this division. Prior to completing reclamation, the chief may collect through the attorney general any additional amount that the chief believes will be necessary for reclamation in excess of the forfeited performance security amount applicable to the land that the operator should have, but failed to, reclaim.

(F) Except as otherwise provided in division (H) of this section, if any part of the moneys in the reclamation forfeiture fund remains in the fund after the chief has caused the area of land to be reclaimed and has paid all the reclamation costs and expenses, the chief may expend those moneys to complete other reclamation work performed under this section on forfeiture areas affected under a coal mining and reclamation permit issued on or after September 1, 1981.

(G) The chief shall require every contractor performing reclamation work pursuant to this section to pay workers at the greater of their regular rate of pay, as established by contract, agreement, or prior custom or practice, or the average wage rate paid in this state for the same or similar work as determined by the chief under section 1513.02 of the Revised Code.

(H) All investment earnings of the fund shall be credited to the fund and shall be used only for the reclamation of land for which performance security was provided under division (C)(2) of section 1513.08 of the Revised Code.

Sec. 1514.081. (A) As used in this section:

(1) "Lime mining wastes" means residual solid or semisolid materials generated from lime ~~or limestone mining and processing~~ calcining, lime processing, or lime manufacturing operations, including, without limitation, lime kiln dust, scrubber sludge from lime kiln operations, lime ~~or limestone~~ materials not meeting product specification, lime hydrating materials, and other lime ~~or limestone mining~~ manufacturing, processing, or calcining materials associated with lime ~~or limestone mining or processing~~. "Lime mining wastes" does not include materials generated from the manufacture of cement.

(2) "Beneficial use" means the use of lime mining wastes ~~within a lime mining and reclamation area~~ for land application when it is utilized for agronomic purposes at standard agronomic rates as determined by standard soil testing, for land reclamation in accordance with this chapter and rules adopted under it, including, but not limited to, use as fill material, as defined by rule, in quarries, and for any other purposes designated by the chief of the division of mineral resources management, including demonstration projects approved by the chief.

(3) "Solid waste disposal facility" means a facility for the disposal of solid wastes that is licensed under Chapter 3734. of the Revised Code.

(4) "Disposal system" has the same meaning as in section 6111.01 of the Revised Code.

(B) Not later than two hundred seventy days after ~~the effective date of this section~~ October 8, 2001, the chief shall adopt and may amend, suspend, or rescind rules in accordance with Chapter 119. of the Revised Code establishing standards and requirements for both of the following:

(1) The beneficial use of lime mining wastes, including the beneficial use of lime mining wastes at lime mining and reclamation operations governed by this chapter;

(2) The monitoring of ground water associated with the beneficial use of lime mining wastes and the taking of corrective action in the event of a subsurface discharge of leachate from the beneficial use of lime mining wastes or of contamination of ground water resulting from the beneficial use of lime mining wastes, in order to protect human health and environment.

The beneficial use of lime mining wastes is subject to any applicable standards and requirements established under this chapter and rules adopted under it. Until such time as the chief adopts rules under this section, the beneficial use of lime mining wastes shall require the prior written approval of the chief in a surface mining permit issued under this chapter.

(C) The beneficial use of lime mining wastes does not constitute establishing a solid waste disposal facility or a disposal system. A beneficial use of lime mining wastes that is authorized under this section is not subject to any of the following:

(1) Permit and license requirements for solid waste facilities established under sections 3734.02 and 3734.05 of the Revised Code;

(2) The prohibition against open dumping of solid wastes established under section 3734.03 of the Revised Code;

(3) Solid waste disposal and generation fees established under sections 3734.57 to 3734.574 of the Revised Code;

(4) Permit to install and plan approval requirements and prohibitions established under sections 6111.03, 6111.04, 6111.44, and 6111.45 of the Revised Code.

Nothing in this section shall be construed to limit any other requirements that are applicable to the beneficial use of lime mining wastes under Chapter 905., 3704., 3714., 3734., or 6111. of the Revised Code or any local or federal laws, including, without limitation, requirements governing air pollution control permits, hazardous waste installation and operation permits, national pollutant discharge elimination system permits,

and section 401 water quality certifications.

Sec. 1514.40. In accordance with Chapter 119. of the Revised Code, the chief of the division of mineral resources management, in consultation with a statewide association that represents the surface mining industry, shall adopt rules that do all of the following:

(A) For the purpose of establishing safety standards governing surface mining operations, incorporate by reference 30 C.F.R. parts 46, 47, 50, 56, 58, and 62, as amended;

(B) Establish criteria, standards, and procedures governing safety performance evaluations conducted under section 1514.45 of the Revised Code, including requirements for the notification of operators and the identification of authorized representatives of miners at surface mining operations for purposes of inspections conducted under sections ~~1541.41~~ 1514.41 to ~~1541.47~~ 1514.47 of the Revised Code;

(C) Establish requirements governing the reporting and investigation of accidents at surface mining operations. In adopting the rules, the chief shall establish requirements that minimize duplication with any reporting and investigations of accidents that are conducted by the mine safety and health administration in the United States department of labor.

(D) Establish the time, place, and frequency of mine safety training conducted under section 1514.06 of the Revised Code and a fee, if any, for the purpose of that section. The amount of the fee shall not exceed the costs of conducting the training that is required under that section.

(E) Establish the minimum qualifications necessary to take the examination that is required for certification of certified mine forepersons under division (B) of section 1514.47 of the Revised Code and requirements, fees, and procedures governing the taking of the examination;

(F) Establish requirements and fees governing the renewal of certificates under division (C) of that section;

(G) Establish requirements and procedures for the approval of training plans submitted under division (E) of that section for the use of qualified persons to conduct examinations of surface mining operations in lieu of certified mine forepersons and minimum qualifications of those persons. The rules shall include requirements governing training frequency and curriculum that must be provided for qualified persons under such plans and shall establish related reporting and record keeping requirements.

As used in sections 1514.41 to 1514.47 of the Revised Code, "rule" means a rule adopted under this section unless the context indicates otherwise.

Sec. 1521.01. As used in sections 1521.01 to 1521.05; and 1521.13 to

1521.18, ~~and 1521.20 to 1521.30~~ of the Revised Code:

(A) "Consumptive use," "diversion," "Lake Erie drainage basin," "other great lakes states and provinces," "water resources," and "waters of the state" have the same meanings as in section 1501.30 of the Revised Code.

(B) "Well" means any excavation, regardless of design or method of construction, created for any of the following purposes:

(1) Removing ground water from or recharging water into an aquifer, excluding subsurface drainage systems installed to enhance agricultural crop production or urban or suburban landscape management or to control seepage in dams, dikes, and levees;

(2) Determining the quantity, quality, level, or movement of ground water in or the stratigraphy of an aquifer, excluding borings for instrumentation in dams, dikes, levees, or highway embankments;

(3) Removing or exchanging heat from ground water, excluding horizontal trenches that are installed for water source heat pump systems.

(C) "Aquifer" means a consolidated or unconsolidated geologic formation or series of formations that are hydraulically interconnected and that have the ability to receive, store, or transmit water.

(D) "Ground water" means all water occurring in an aquifer.

(E) "Ground water stress area" means a definable geographic area in which ground water quantity is being affected by human activity or natural forces to the extent that continuous availability of supply is jeopardized by withdrawals.

(F) "Person" has the same meaning as in section 1.59 of the Revised Code and also includes the United States, the state, any political subdivision of the state, and any department, division, board, commission, agency, or instrumentality of the United States, the state, or a political subdivision of the state.

(G) "State agency" or "agency of the state" has the same meaning as "agency" in section 111.15 of the Revised Code.

(H) "Development" means any artificial change to improved or unimproved real estate, including the construction of buildings and other structures, any substantial improvement of a structure, mining, dredging, filling, grading, paving, excavating, and drilling operations, and storage of equipment or materials.

(I) "Floodplain" means the area adjoining any river, stream, watercourse, or lake that has been or may be covered by flood water.

(J) "Floodplain management" means the implementation of an overall program of corrective and preventive measures for reducing flood damage, including the collection and dissemination of flood information,

construction of flood control works, nonstructural flood damage reduction techniques, and adoption of rules, ordinances, or resolutions governing development in floodplains.

(K) "One-hundred-year flood" means a flood having a one per cent chance of being equaled or exceeded in any given year.

(L) "One-hundred-year floodplain" means that portion of a floodplain inundated by a one-hundred-year flood.

(M) "Structure" means a walled and roofed building, including, without limitation, gas or liquid storage tanks, mobile homes, and manufactured homes.

(N) "Substantial improvement" means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds fifty per cent of the market value of the structure before the start of construction of the improvement. "Substantial improvement" includes repairs to structures that have incurred substantial damage regardless of the actual repair work performed. "Substantial improvement" does not include either of the following:

(1) Any project for the improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications that have been identified by the state or local code enforcement official having jurisdiction and that are the minimum necessary to ensure safe living conditions;

(2) Any alteration of an historic structure designated or listed pursuant to federal or state law, provided that the alteration will not preclude the structure's continued listing or designation as an historic structure.

~~(O) "Shore structure" includes, but is not limited to: beaches; groins; revetments; bulkheads; seawalls; breakwaters; certain dikes designated by the chief of the division of water; piers; docks; jetties; wharves; marinas; boat ramps; any associated fill or debris used as part of the construction of shore structures that may affect shore erosion, wave action, or inundation; and fill or debris placed along or near the shore, including bluffs, banks, or beach ridges, for the purpose of stabilizing slopes.~~

~~(P)~~ "Substantial damage" means damage of any origin that is sustained by a structure if the cost of restoring the structure to its condition prior to the damage would equal or exceed fifty per cent of the market value of the structure before the damage occurred.

~~(Q)~~(P) "National flood insurance program" means the national flood insurance program established in the "National Flood Insurance Act of 1968," 82 Stat. 572, 42 U.S.C. 4001, as amended, and regulations adopted under it.

~~(R)~~(Q) "Conservancy district" means a conservancy district established under Chapter 6101. of the Revised Code.

~~(S)~~ "Park board" means the board of park commissioners of a park district created under Chapter 1545. of the Revised Code.

~~(T)~~ "Erosion control structure" means anything that is designed primarily to reduce or control erosion of the shore along or near lake erie, including, but not limited to, revetments, seawalls, bulkheads, certain breakwaters designated by the chief, and similar structures. "Erosion control structure" does not include wharves, piers, docks, marinas, boat ramps, and other similar structures.

Sec. 1521.99. (A) Whoever violates division (E)(1) of section 1521.05 or division (E)(1) of section 1521.16 of the Revised Code is guilty of a misdemeanor of the fourth degree.

(B) Whoever violates section 1521.06 or 1521.062 of the Revised Code shall be fined not less than one hundred dollars nor more than one thousand dollars for each offense. Each day of violation constitutes a separate offense.

~~(C) Whoever violates sections 1521.20 to 1521.30 of the Revised Code shall be fined not less than one hundred dollars nor more than one thousand dollars for each offense. Each day of violation constitutes a separate offense.~~

Sec. 1531.06. (A) The chief of the division of wildlife, with the approval of the director of natural resources, may acquire by gift, lease, purchase, or otherwise lands or surface rights upon lands and waters or surface rights upon waters for wild animals, fish or game management, preservation, propagation, and protection, outdoor and nature activities, public fishing and hunting grounds, and flora and fauna preservation. The chief, with the approval of the director, may receive by grant, devise, bequest, donation, or assignment evidences of indebtedness, the proceeds of which are to be used for the purchase of such lands or surface rights upon lands and waters or surface rights upon waters.

(B)(1) The chief shall adopt rules for the protection of state-owned or leased lands and waters and property under the control of the division of wildlife against wrongful use or occupancy that will ensure the carrying out of the intent of this section, protect those lands, waters, and property from depredations, and preserve them from molestation, spoilation, destruction, or any improper use or occupancy thereof, including rules with respect to recreational activities and for the government and use of such lands, waters, and property.

(2) The chief may adopt rules benefiting wild animals, fish or game management, preservation, propagation, and protection, outdoor and nature activities, public fishing and hunting grounds, and flora and fauna

preservation, and regulating the taking and possession of wild animals on any lands or waters owned or leased or under the division's supervision and control and, for a specified period of years, may prohibit or recall the taking and possession of any wild animal on any portion of such lands or waters. The division clearly shall define and mark the boundaries of the lands and waters owned or leased or under its supervision and control upon which the taking of any wild animal is prohibited.

(C) The chief, with the approval of the director, may acquire by gift, lease, or purchase land for the purpose of establishing state fish hatcheries and game farms and may erect on it buildings or structures that are necessary.

The title to or lease of such lands and waters shall be taken by the chief in the name of the state. The lease or purchase price of all such lands and waters may be paid from hunting and trapping and fishing licenses and any other funds.

(D) To provide more public recreation, stream and lake agreements for public fishing only may be obtained under rules adopted by the chief.

(E) The chief, with the approval of the director, may establish user fees for the use of special public facilities or participation in special activities on lands and waters administered by the division. The special facilities and activities may include hunting or fishing on special designated public lands and waters intensively managed or stocked with artificially propagated game birds or fish, field trial facilities, wildlife nature centers, firearm ranges, boat mooring facilities, camping sites, and other similar special facilities and activities. The chief shall determine whether the user fees are refundable and shall ensure that that information is provided at the time the user fees are paid.

(F) The chief, with the approval of the director, may enter into lease agreements for rental of concessions or other special projects situated on state-owned or leased lands or waters or other property under the division's control. The chief shall set and collect the fees for concession rentals or other special projects; regulate through contracts between the division and concessionaires the sale of tangible objects at concessions or other special projects; and keep a record of all such fee payments showing the amount received, from whom received, and for what purpose the fee was collected.

(G) The chief may sell or donate conservation-related items or items that promote wildlife conservation, including, but not limited to, stamps, pins, badges, books, bulletins, maps, publications, calendars, and any other educational article or artifact pertaining to wild animals; sell confiscated or forfeited items; and sell surplus structures and equipment, and timber or

crops from lands owned, administered, leased, or controlled by the division. The chief, with the approval of the director, also may engage in campaigns and special events that promote wildlife conservation by selling or donating wildlife-related materials, memberships, and other items of promotional value.

(H) The chief may sell, lease, or transfer minerals or mineral rights, with the approval of the director, when the chief and the director determine it to be in the best interest of the state. Upon approval of the director, the chief may make, execute, and deliver contracts, including leases, to mine, drill, or excavate iron ore, stone, coal, petroleum, gas, salt, and other minerals upon and under lands owned by the state and administered by the division to any person who complies with the terms of such a contract. No such contract shall be valid for more than fifty years from its effective date. Consideration for minerals and mineral rights shall be by rental or royalty basis as prescribed by the chief and payable as prescribed by contract. Moneys collected under this division shall be paid into the state treasury to the credit of the wildlife habitat fund created in section 1531.33 of the Revised Code. Contracts entered into under this division also may provide for consideration for minerals or mineral rights in the form of acquisition of lands as provided under divisions (A) and (C) of this section.

(I) All moneys received under divisions (E), (F), and (G) of this section shall be paid into the state treasury to the credit of a fund that shall be used for the purposes outlined in section 1533.15 of the Revised Code and for the management of other wild animals for their ecological and nonconsumptive recreational value or benefit.

(J) The chief, with the approval of the director, may barter or sell wild animals to other states, state or federal agencies, and conservation or zoological organizations. Moneys received from the sale of wild animals shall be deposited into the wild animal fund created in section 1531.34 of the Revised Code.

(K) The chief shall adopt rules establishing standards and guidelines for the administration of contraceptive chemicals to noncaptive wild animals. The rules may specify chemical delivery methods and devices and monitoring requirements.

The chief shall establish criteria for the issuance of and shall issue permits for the administration of contraceptive chemicals to noncaptive wild animals. No person shall administer contraceptive chemicals to noncaptive wild animals without a permit issued by the chief.

(L) All fees set by the chief under this section shall be approved by the wildlife council.

(M) Information contained in the wildlife diversity database that is established pursuant to division (B)(2) of this section and section 1531.25 of the Revised Code may be made available to any individual or public or private agency for research, educational, environmental, land management, or other similar purposes that are not detrimental to the conservation of a species or feature. Information regarding sensitive site locations of species that are listed pursuant to section 1531.25 of the Revised Code and of features that are included in the wildlife diversity database is not subject to section 149.43 of the Revised Code if the chief determines that the release of the information could be detrimental to the conservation of a species or feature.

Sec. 1531.35. The wildlife boater angler fund is hereby created in the state treasury. The fund shall consist of money credited to the fund pursuant to section 5735.051 of the Revised Code and other money contributed to the division of wildlife for the purposes of the fund. The fund shall be used for boating access construction, improvements, and maintenance, and to pay for equipment and personnel costs involved with those activities, on lakes on which the operation of gasoline-powered watercraft is permissible. However, not more than two hundred thousand dollars of the annual expenditures from the fund may be used to pay for the equipment and personnel costs.

Sec. 1555.08. (A) Subject to the limitations provided in Section 15 of Article VIII, Ohio Constitution, the commissioners of the sinking fund, upon certification by the director of the Ohio coal development office of the amount of moneys or additional moneys needed in the coal research and development fund for the purpose of making grants or loans for allowable costs, or needed for capitalized interest, for funding reserves, and for 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, or providing moneys for loan guarantees, shall issue obligations of the state under this section in amounts authorized by the general assembly; provided that such obligations may be issued to the extent necessary to satisfy the covenants in contracts of guarantee made under section 1555.05 of the Revised Code to issue obligations to meet such guarantees, notwithstanding limitations

otherwise applicable to the issuance of obligations under this section except the one-hundred-million-dollar limitation provided in Section 15 of Article VIII, Ohio Constitution. The proceeds of such obligations, except for the portion to be deposited in the coal research and development bond service fund as may be provided in the bond proceedings, shall as provided in the bond proceedings be deposited in the coal research and development fund. The commissioners of the sinking fund may appoint trustees, paying agents, and transfer 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 their judgment to carry out this section.

(B) The full faith and credit of the state of Ohio is hereby pledged to obligations issued under this section. The right of the holders and owners to payment of bond service charges is limited to all or that portion of the moneys pledged thereto pursuant to the bond proceedings in accordance with this section, and each such obligation shall bear on its face a statement to that effect.

(C) Obligations shall be authorized by resolution of the commissioners of the sinking fund on request of the director of the Ohio coal development office as provided in section 1555.02 of the Revised Code 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 forty 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 apply 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 shall also provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part as the commissioners of the sinking fund may determine, of the moneys credited to the coal research and development bond service fund 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 moneys so pledged and thereafter received by the state are immediately 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 moneys 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.

(D) The bond proceedings may contain additional provisions as to:

(1) The redemption of obligations prior to maturity at the option of the commissioners of the sinking fund 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 obligations may be issued;

(5) The deposit, investment, and application of the coal research and development bond service fund, 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 chapter, with respect to particular moneys; provided, that any bank or trust company which acts as depository of any moneys in the fund may furnish such indemnifying bonds or may pledge such securities as required by the commissioners of the sinking fund;

(6) Any other provision of the bond proceedings being binding upon the commissioners of the sinking fund, or such other body or person 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 which 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 obtained or to be obtained for loans under this chapter.

(E) The obligations may have the great seal of the state or a facsimile thereof affixed thereto or printed thereon. The obligations shall be signed by such members of the commissioners of the sinking fund as are designated in the resolution authorizing the obligations or bear the facsimile signatures of such members. Any coupons attached to the obligations shall bear the facsimile signature of the treasurer of state. Any obligations may be executed by the persons who, on the date of execution, are the commissioners although on the date of such bonds the persons were not the commissioners. Any coupons may be executed by the person who, on the date of execution, is the treasurer of state although on the date of such coupons the person was not the treasurer of state. In case any officer or commissioner whose signature or a facsimile of whose signature appears on any such obligations or any coupons ceases to be such officer or commissioner before delivery thereof, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the individual had remained such officer or commissioner 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.

(F) All obligations except loan guarantees 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 commissioners of the sinking fund determine. 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.

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

(H) Pending preparation of definitive obligations, the commissioners of the sinking fund may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(I) In the discretion of the commissioners of the sinking fund, obligations may be secured additionally by a trust agreement or indenture between the commissioners and a corporate trustee, which may be any trust company or bank having ~~its principal~~ a place of business within the state.

Any such agreement or indenture may contain the resolution authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that 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 commissioners of the sinking fund 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 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 commissioners of the sinking fund agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.

(J) Any holder of obligations or a trustee under the bond proceedings, except to the extent that the holder'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 commissioners of the sinking fund, the Ohio air quality development authority, or the Ohio coal development office required by this chapter and Chapter 1551. of the Revised Code or the bond proceedings; 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 commissioners, the authority, or the office in the bond proceedings, to apply to a court having jurisdiction of the cause to appoint a receiver to receive and administer the moneys pledged, other than those in the custody of the treasurer of state, that are pledged to the payment of the bond service charges on such obligations or that 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 commissioners of the sinking fund or the state or governmental agencies of the state 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.

Each duty of the commissioners of the sinking fund and their employees, and of each governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any grant, loan, or loan guarantee agreement made under authority of this chapter, and in every agreement by or with the commissioners, is hereby established as a duty of the commissioners, 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 persons who are at the time the commissioners of the sinking fund, or their employees, are not liable in their personal capacities on any obligations issued by the commissioners or any agreements of or with the commissioners.

(K) 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 governmental agency of the state with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

(L) If the law or the instrument creating a trust pursuant to division (I) 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 established in accordance with section 1111.14 of the Revised Code and consisting exclusively of any such securities, notwithstanding division (A)(1)(c) of that section. The income from such investments shall be credited to such funds as the commissioners of the sinking fund determine, and such investments may be sold at such times as the commissioners determine or authorize.

(M) 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. Moneys to the credit of the bond service fund 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.

(N) The commissioners of the sinking fund may pledge all, or such portion as they determine, of the receipts of the bond service fund 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 control notwithstanding any other provisions of law pertaining thereto.

(O) The commissioners of the sinking fund may covenant in the bond proceedings, and any such covenants control notwithstanding any other provision of law, that the state and applicable officers and governmental agencies of the state, including the general assembly, so long as any obligations are outstanding, shall:

(1) Maintain statutory authority for and cause to be levied and collected taxes so that the pledged receipts are sufficient in amount to meet bond service charges, and the establishment and maintenance of any reserves and other requirements provided for in the bond proceedings, and, as necessary, to meet covenants contained in any loan guarantees made under this chapter;

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

(P) All moneys received by or on account of the state and required by the applicable bond proceedings, consistent with this section, to be deposited, transferred, or credited to the coal research and development bond service fund, and all other moneys transferred or allocated to or received for the purposes of the fund, shall be 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. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as moneys in the bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of moneys of the state are committed and shall be paid to the bond service fund in each year for the purpose of paying the bond service charges becoming due in that year without necessity for further act of appropriation for such purpose. The 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. All investment earnings of the fund shall be credited to the fund.

(Q) For purposes of establishing the limitations contained in Section 15 of Article VIII, Ohio Constitution, the "principal amount" refers to the aggregate of the offering price of the bonds or notes. "Principal amount" does not refer to the aggregate value at maturity or redemption of the bonds or notes.

(R) This section applies only with respect to obligations issued and delivered prior to September 30, 2000.

Sec. 1557.03. (A)(1) The commissioners of the sinking fund are authorized to issue and sell, as provided in this section and in amounts from time to time authorized by the general assembly, general obligations of this state for the purpose of financing or assisting in the financing of the costs of projects. The full faith and credit, revenues, and taxing power of the state are and shall be pledged to the timely payment of debt charges on outstanding obligations, all in accordance with Section 21 of Article VIII, Ohio Constitution, and Chapter 1557. of the Revised Code, excluding from that pledge fees, excises, or taxes relating to the registration, operation, or use of vehicles on the public highways, or to fuels used for propelling those vehicles, and so long as such obligations are outstanding there shall be levied and collected excises and taxes, excluding those excepted above, in amount sufficient to pay the debt charges on such obligations and financing costs relating to credit enhancement facilities.

(2) For meetings of the commissioners of the sinking fund pertaining to the obligations under this chapter, each of the commissioners may designate an employee or officer of that commissioner's office to attend meetings when that commissioner is absent for any reason, and such designee, when

present, shall be counted in determining whether a quorum is present at any meeting and may vote and participate in all proceedings and actions of the commissioners at that meeting pertaining to the obligations, provided, that such designee shall not execute or cause a facsimile of the designee's signature to be placed on any obligation, or execute any trust agreement or indenture of the commissioners. Such designation shall be in writing, executed by the designating member, and shall be filed with the secretary of the commissioners and such designation may be changed from time to time by a similar written designation.

(B) The total principal amount of obligations outstanding at any one time shall not exceed two hundred million dollars, and not more than fifty million dollars in principal amount of obligations to pay costs of projects may be issued in any fiscal year, all determined as provided in Chapter 1557. of the Revised Code.

(C) The state may participate by grants or contributions in financing projects under this section made by local government entities. Of the proceeds of the first two hundred million dollars principal amount in obligations issued under this section to pay costs of projects, at least twenty per cent shall be allocated in accordance with section 1557.06 of the Revised Code to grants or contributions to local government entities. The director of budget and management shall establish and maintain records in such manner as to show that the proceeds credited to the Ohio parks and natural resources fund have been expended for the purposes and in accordance with the limitations set forth herein.

(D) Each issue of obligations shall be authorized by resolution of the commissioners of the sinking fund. The bond proceedings shall provide for the principal amount or maximum principal amount of obligations of an issue, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding the earlier of twenty-five years from the date the debt represented by the particular obligations was originally contracted, the interest rate or rates, the date of and the dates of payment of interest on the obligations, their denominations, and the establishment within or without the state of a place or places of payment of debt charges. Sections 9.96 and 9.98 to 9.983 of the Revised Code are applicable to the obligations. The purpose of the obligations may be stated in the bond proceedings as "financing or assisting in the financing of projects as provided in Section 21 of Article VIII, Ohio Constitution."

(E) The proceeds of the obligations, except for any portion to be deposited in special funds, or in escrow funds for the purpose of refunding outstanding obligations, all as may be provided in the bond proceedings,

shall be deposited in the Ohio parks and natural resources fund established by section 1557.02 of the Revised Code.

(F) The commissioners of the sinking fund may appoint paying agents, bond registrars, securities depositories, and transfer agents, and may retain the services of financial advisers and accounting experts, 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 judgment of the commissioners to carry out this chapter of the Revised Code. Financing costs are payable, as provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other moneys available for the purpose.

(G) The bond proceedings, including any trust agreement, may contain additional provisions customary or appropriate to the financing or to the obligations or to particular obligations, including, but not limited to:

(1) The redemption of obligations prior to maturity at the option of the state or of the holder or upon the occurrence of certain conditions at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(2) The form of and other terms of the obligations;

(3) The establishment, 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, provided that any bank or trust company that acts as a depository of any moneys in special funds may furnish such indemnifying bonds or may pledge such securities as required by the commissioners of the sinking fund;

(4) Any or every provision of the bond proceedings binding upon the commissioners of the sinking fund and such state agency or local government entities, 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;

(5) The maintenance of each pledge, any trust agreement, or other instrument composing part of the bond proceedings until the state has fully paid or provided for the payment of the debt charges on the obligations or met other stated conditions;

(6) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the commissioners of the sinking fund made as part of a contract under which the obligations were issued or secured, the enforcement of such payments or agreements by

mandamus, suit in equity, action at law, or any combination of the foregoing;

(7) The rights and remedies of the holders of obligations and of the trustee under any trust agreement, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(8) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(9) Provision for the funding, refunding, or advance refunding or other provision for payment of obligations which will then no longer be or be deemed to be outstanding for purposes of this section or of the bond proceedings;

(10) Any provision that may be made in bond proceedings or a trust agreement, including provision for amendment of the bond proceedings;

(11) Such other provisions as the commissioners of the sinking fund determine, including limitations, conditions, or qualifications relating to any of the foregoing;

(12) Any other or additional agreements with the holders of the obligations relating to the obligations or the security for the obligations.

(H) The great seal of the state or a facsimile of that seal may be affixed to or printed on the obligations. The obligations shall be signed by or bear the facsimile signatures of two or more of the commissioners of the sinking fund as provided in the bond proceedings. Any obligations may be signed by the person who, on the date of execution, is the authorized signer although on the date of such obligations such person was not a commissioner. In case the individual whose signature or a facsimile of whose signature appears on any obligation ceases to be a commissioner before delivery of the obligation, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the individual had remained the member until such delivery, and in case the seal to be affixed to or printed on obligations has been changed after the seal has been affixed to or a facsimile of the seal has been printed on the obligations, that seal or facsimile seal shall continue to be sufficient as to those obligations and obligations issued in substitution or exchange therefor.

(I) Obligations may be issued in coupon or in fully registered form, or both, as the commissioners of the sinking fund determine. Provision may be made for the registration of any obligations with coupons attached 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 of any obligations registered as to both

principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion. Pending preparation of definitive obligations, the commissioners of the sinking fund may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(J) Obligations may be sold at public sale or at private sale, and at such price at, above, or below par, as determined by the commissioners of the sinking fund in the bond proceedings.

(K) In the discretion of the commissioners of the sinking fund, obligations may be secured additionally by a trust agreement between the state and a corporate trustee which may be any trust company or bank having ~~its principal~~ a place of business within the state. Any trust agreement may contain the resolution authorizing the issuance of the obligations, any provisions that may be contained in the bond proceedings, and other provisions that are customary or appropriate in an agreement of the type.

(L) Except to the extent that their rights are restricted by the bond proceedings, any holder of obligations, or a trustee under 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 the bond proceedings. Such rights include the right to compel the performance of all duties of the commissioners and the state. Each duty of the commissioners and employees of the commissioners, and of each state agency and local public entity and its officers, members, or employees, undertaken pursuant to the bond proceedings, is hereby established as a duty of the commissioners, and of each such agency, local government entity, officer, member, or employee having authority to perform such duty, specifically enjoined by the law and resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The persons who are at the time the commissioners, or employees of the commissioners, are not liable in their personal capacities on any obligations or any agreements of or with the commissioners relating to obligations or under the bond proceedings.

(M) Obligations 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, 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 state agency with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

(N) 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 commissioners of the sinking fund only in notes, bonds, or other direct obligations of the United States or of any agency or instrumentality of the United States, in obligations of this state or any political subdivision of this state, in 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, in the Ohio subdivision's fund established pursuant to section 135.45 of the Revised Code, in no-front-end-load money market mutual funds consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, and in repurchase agreements, including those issued by any fiduciary, secured by direct obligations of the United States or an agency or instrumentality of the United States, and in collective investment funds established in accordance with section 1111.14 of the Revised Code and consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, notwithstanding division (A)(1)(c) of that section. The income from investments shall be credited to such special funds or otherwise as the commissioners of the sinking fund determine in the bond proceedings, and the investments may be sold or exchanged at such times as the commissioners determine or authorize.

(O) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in a special fund shall be disbursed on the order of the commissioners of the sinking fund, provided that no such order is required for the payment from the bond service fund or other special fund when due of debt charges or required payments under credit enhancement facilities.

(P) The commissioners of the sinking fund may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and the applicable officers and agencies of the state, including the general assembly, so long as any obligations are outstanding in accordance with their terms, shall maintain statutory authority for and cause to be charged and collected taxes, excises, and other receipts of the state so that the receipts to the bond service fund shall be sufficient in amounts to meet debt charges and for the establishment

and maintenance of any reserves and other requirements, including payment of the costs of credit enhancement facilities, provided for in the bond proceedings.

(Q) The obligations, the transfer thereof, and the interest, other accreted amounts, and other income therefrom, including any profit made on the sale thereof, at all times shall be free from taxation, direct or indirect, within the state.

(R) This section applies only with respect to obligations issued and delivered before September 30, 2000.

Sec. 1713.031. The Ohio board of regents shall review an application for a certificate of authorization from a school described in division (E) of section 3332.01 of the Revised Code within twenty-two weeks.

Sec. 1901.34. (A) Except as provided in divisions (B) and (D) of this section, the village solicitor, city director of law, or similar chief legal officer for each municipal corporation within the territory of a municipal court shall prosecute all cases brought before the municipal court for criminal offenses occurring within the municipal corporation for which that person is the solicitor, director of law, or similar chief legal officer. Except as provided in division (B) of this section, the village solicitor, city director of law, or similar chief legal officer of the municipal corporation in which a municipal court is located shall prosecute all criminal cases brought before the court arising in the unincorporated areas within the territory of the municipal court.

(B) The Auglaize county, Brown county, Clermont county, Hocking county, Holmes county, Jackson county, Morrow county, Ottawa county, and Portage county prosecuting attorneys shall prosecute in municipal court all violations of state law arising in their respective counties. The Carroll county, Crawford county, Hamilton county, Madison county, and Wayne county prosecuting attorneys and beginning January 1, 2008, the Erie county prosecuting attorney shall prosecute all violations of state law arising within the unincorporated areas of their respective counties. The Columbiana county prosecuting attorney shall prosecute in the Columbiana county municipal court all violations of state law arising in the county, except for violations arising in the municipal corporation of East Liverpool, Liverpool township, or St. Clair township. The Darke county prosecuting attorney shall prosecute in the Darke county municipal court all violations of state law arising in the county, except for violations of state law arising in the municipal corporation of Greenville and violations of state law arising in the village of Versailles. The Greene county ~~prosecuting attorney may, with the concurrence of the Greene county~~ board of county commissioners, prosecute

~~in the Fairborn municipal court may provide for the prosecution of all violations of state law arising within the unincorporated areas of Bath and Beaverreek townships in Greene county and prosecute in the Xenia municipal court all violations of state law arising within the unincorporated areas of Ceasarereek, Cedarville, Jefferson, Miami, New Jasper, Ross, Silverereek, Spring Valley, Sugarereek, and Xenia townships territorial jurisdiction of any municipal court located in Greene county.~~

The prosecuting attorney of any county given the duty of prosecuting in municipal court violations of state law shall receive no additional compensation for assuming these additional duties, except that the prosecuting attorney of Hamilton, Portage, and Wayne counties shall receive compensation at the rate of four thousand eight hundred dollars per year, and the prosecuting attorney of Auglaize county shall receive compensation at the rate of one thousand eight hundred dollars per year, each payable from the county treasury of the respective counties in semimonthly installments.

(C) The village solicitor, city director of law, or similar chief legal officer shall perform the same duties, insofar as they are applicable to the village solicitor, city director of law, or similar chief legal officer, as are required of the prosecuting attorney of the county. The village solicitor, city director of law, similar chief legal officer or any assistants who may be appointed shall receive for such services additional compensation to be paid from the treasury of the county as the board of county commissioners prescribes.

(D) The prosecuting attorney of any county, other than Auglaize, Brown, Clermont, Hocking, Holmes, Jackson, Morrow, Ottawa, or Portage county, may enter into an agreement with any municipal corporation in the county in which the prosecuting attorney serves pursuant to which the prosecuting attorney prosecutes all criminal cases brought before the municipal court that has territorial jurisdiction over that municipal corporation for criminal offenses occurring within the municipal corporation. The prosecuting attorney of Auglaize, Brown, Clermont, Hocking, Holmes, Jackson, Morrow, Ottawa, or Portage county may enter into an agreement with any municipal corporation in the county in which the prosecuting attorney serves pursuant to which the respective prosecuting attorney prosecutes all cases brought before the Auglaize county, Brown county, Clermont county, Hocking county, Holmes county, Jackson county, Morrow county, Ottawa county, or Portage county municipal court for violations of the ordinances of the municipal corporation or for criminal offenses other than violations of state law occurring within the municipal corporation. For prosecuting these cases, the prosecuting attorney and the

municipal corporation may agree upon a fee to be paid by the municipal corporation, which fee shall be paid into the county treasury, to be used to cover expenses of the office of the prosecuting attorney.

Sec. 2113.041. (A) The administrator of the medicaid estate recovery program established pursuant to section 5111.11 of the Revised Code may present an affidavit to a financial institution requesting that the financial institution release account proceeds to recover the cost of services correctly provided to a medicaid recipient who is subject to the medicaid estate recovery program. The affidavit shall include all of the following information:

- (1) The name of the decedent;
- (2) The name of any person who gave notice that the decedent was a medicaid recipient and that person's relationship to the decedent;
- (3) The name of the financial institution;
- (4) The account number;
- (5) A description of the claim for estate recovery;
- (6) The amount of funds to be recovered.

(B) A financial institution may release account proceeds to the administrator of the medicaid estate recovery program if all of the following apply:

- (1) The decedent held an account at the financial institution that was in the decedent's name only.
- (2) No estate has been, and it is reasonable to assume that no estate will be, opened for the decedent.
- (3) The decedent has no outstanding debts known to the administrator of the medicaid estate recovery program.
- (4) The financial institution has received no objections or has determined that no valid objections to release of proceeds have been received.

(C) If proceeds have been released pursuant to division (B) of this section and the department of job and family services receives notice of a valid claim to the proceeds that has a higher priority under section 2117.25 of the Revised Code than the claim of the medicaid estate recovery program, the department may refund the proceeds to the financial institution or pay them to the person or government entity with the claim.

Sec. 2117.061. (A) As used in this section:

- (1) "Medicaid estate recovery program" means the program instituted under section 5111.11 of the Revised Code.
- (2) "Permanently institutionalized individual" has the same meaning as in section 5111.11 of the Revised Code.

(3) "Person responsible for the estate" means the executor, administrator, commissioner, or person who filed pursuant to section 2113.03 of the Revised Code for release from administration of an estate.

~~(B) If a decedent, at the time of death, was fifty-five years of age or older or a permanently institutionalized individual, the person responsible for the decedent's estate shall determine whether the decedent was, at any time during the decedent's life, a medicaid recipient under Chapter 5111. of the Revised Code. If the decedent was a medicaid recipient, the~~ The person responsible for the estate of a decedent subject to the medicaid estate recovery program or the estate of a decedent who was the spouse of a decedent subject to the medicaid estate recovery program shall submit a properly completed medicaid estate recovery reporting form prescribed under division (D) of this section to the administrator of the medicaid estate recovery program not later than thirty days after the occurrence of any of the following:

- (1) The granting of letters testamentary;
- (2) The administration of the estate;
- (3) The filing of an application for release from administration or summary release from administration.

(C) The person responsible for the estate shall mark the appropriate box on the appropriate probate form to indicate compliance with the requirements of division (B) of this section.

The probate court shall send a copy of the completed probate form to the administrator of the medicaid estate recovery program.

(D) The administrator of the medicaid estate recovery program shall prescribe a medicaid estate recovery reporting form for the purpose of division (B) of this section. ~~The~~ In the case of a decedent subject to the medicaid estate recovery program, the form shall require, at a minimum, that the person responsible for the estate list all of the decedent's real and personal property and other assets that are part of the decedent's estate as defined in section 5111.11 of the Revised Code. In the case of a decedent who was the spouse of a decedent subject to the medicaid estate recovery program, the form shall require, at a minimum, that the person responsible for the estate list all of the decedent's real and personal property and other assets that are part of the decedent's estate as defined in section 5111.11 of the Revised Code and were also part of the estate, as so defined, of the decedent subject to the medicaid estate recovery program. The administrator shall include on the form a statement printed in bold letters informing the person responsible for the estate that knowingly making a false statement on the form is falsification under section 2921.13 of the Revised Code, a

misdemeanor of the first degree.

(E) The ~~estate recovery program~~ administrator of the medicaid estate recovery program shall present a claim for estate recovery to the person responsible for the estate of the decedent or the person's legal representative not later than ninety days after the date on which the medicaid estate recovery reporting form is received under division (B) of this section or one year after the decedent's death, whichever is later.

Sec. 2117.25. (A) Every executor or administrator shall proceed with diligence to pay the debts of the decedent and shall apply the assets in the following order:

(1) Costs and expenses of administration;

(2) An amount, not exceeding four thousand dollars, for funeral expenses that are included in the bill of a funeral director, funeral expenses other than those in the bill of a funeral director that are approved by the probate court, and an amount, not exceeding three thousand dollars, for burial and cemetery expenses, including that portion of the funeral director's bill allocated to cemetery expenses that have been paid to the cemetery by the funeral director.

For purposes of this division, burial and cemetery expenses shall be limited to the following:

(a) The purchase of a right of interment;

(b) Monuments or other markers;

(c) The outer burial container;

(d) The cost of opening and closing the place of interment;

(e) The urn.

(3) The allowance for support made to the surviving spouse, minor children, or both under section 2106.13 of the Revised Code;

(4) Debts entitled to a preference under the laws of the United States;

(5) Expenses of the last sickness of the decedent;

(6) If the total bill of a funeral director for funeral expenses exceeds four thousand dollars, then, in addition to the amount described in division (A)(2) of this section, an amount, not exceeding two thousand dollars, for funeral expenses that are included in the bill and that exceed four thousand dollars;

(7) Personal property taxes, claims made under the medicaid estate recovery program instituted pursuant to section 5111.11 of the Revised Code, and obligations for which the decedent was personally liable to the state or any of its subdivisions;

(8) Debts for manual labor performed for the decedent within twelve months preceding the decedent's death, not exceeding three hundred dollars to any one person;

(9) Other debts for which claims have been presented and finally allowed.

(B) The part of the bill of a funeral director that exceeds the total of six thousand dollars as described in divisions (A)(2) and (6) of this section, and the part of a claim included in division (A)(8) of this section that exceeds three hundred dollars shall be included as a debt under division (A)(9) of this section, depending upon the time when the claim for the additional amount is presented.

(C) Any natural person or fiduciary who pays a claim of any creditor described in division (A) of this section shall be subrogated to the rights of that creditor proportionate to the amount of the payment and shall be entitled to reimbursement for that amount in accordance with the priority of payments set forth in that division.

(D)(1) Chapters 2113. to 2125. of the Revised Code, relating to the manner in which and the time within which claims shall be presented, shall apply to claims set forth in divisions (A)(2), (6), and (8) of this section. Claims for an expense of administration or for the allowance for support need not be presented. The executor or administrator shall pay debts included in divisions (A)(4) and (7) of this section, of which the executor or administrator has knowledge, regardless of presentation.

(2) The giving of written notice to an executor or administrator of a motion or application to revive an action pending against the decedent at the date of death shall be equivalent to the presentation of a claim to the executor or administrator for the purpose of determining the order of payment of any judgment rendered or decree entered in such an action.

(E) No payments shall be made to creditors of one class until all those of the preceding class are fully paid or provided for. If the assets are insufficient to pay all the claims of one class, the creditors of that class shall be paid ratably.

(F) If it appears at any time that the assets have been exhausted in paying prior or preferred charges, allowances, or claims, those payments shall be a bar to an action on any claim not entitled to that priority or preference.

Sec. 2151.362. (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~~ department of education determines that a different district shall be responsible for bearing that cost pursuant to division (A)(2) of this section. The court's order shall state that the determination of which school district is responsible to bear the cost of educating the child is subject to re-determination by the department pursuant to that division.

(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~~ determines that the place of residence of the child's parent has changed since the court issued its initial order, the ~~court~~ department 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,~~ shall make this new determination, and any future determinations, based on evidence received from the school district ~~initially ordered~~ currently responsible to bear the cost of educating the child, ~~of evidence acceptable to the department. If the department finds that the evidence demonstrates to its satisfaction~~ 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~~ under division (A)(1) of this section, or since the department last made a determination under division (A)(2) of this section, the department shall recommend to the court name 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 under division (A)(1) of this section, or in the most recent determination made by the department under division (A)(2) of this section, 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 or the department, in the same manner as prescribed in division (A) of this section, 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. 2305.2341. (A) The medical liability insurance reimbursement program is hereby established. Free clinics and federally qualified health center look-alikes, including the clinics' and centers' 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 and centers, as defined in division (D)(4) of this section.

(B) A free clinic or federally qualified health center look-alike is eligible to receive reimbursement under the medical liability insurance reimbursement program for the premiums that the clinic or center pays for medical liability insurance coverage for the clinic or center, its staff, and volunteer health care professionals and health care workers. Free clinics and federally qualified health center look-alikes 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 that register with the department in accordance with this division shall receive priority over centers that register for reimbursement.

Free clinics and federally qualified health center look-alikes 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 or federally qualified health center look-alike at that time;

(2) A statement of the number of health care services rendered by the free clinic or federally qualified health center look-alike during the previous fiscal year;

(3) A signed form acknowledging that the free clinic or federally qualified health center look-alike 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 federally qualified health center look-alike, or the policy's declaration page, and documentation of the premiums paid by the clinic or center.

(C) The department of health shall reimburse free clinics and federally qualified health center look-alikes participating in the professional liability insurance reimbursement program for up to eighty per cent of the premiums that the free clinic or center 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) "Federally qualified health center look-alike" means a public or not-for-profit health center that meets the eligibility requirements to receive a federal public health services grant under the "Public Health Services Act," 117 Stat. 2020, 42 U.S.C. 254b, as amended, but does not receive grant funding.

(2) "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)~~(3) "Health care professional" and "health care worker" have the same meanings as in section 2305.234 of the Revised Code.

Sec. 2744.02. (A)(1) For the purposes of this chapter, the functions of political subdivisions are hereby classified as governmental functions and proprietary functions. Except as provided in division (B) of this section, a political subdivision is not liable in damages in a civil action for injury, death, or loss to person or property allegedly caused by any act or omission of the political subdivision or an employee of the political subdivision in connection with a governmental or proprietary function.

(2) The defenses and immunities conferred under this chapter apply in connection with all governmental and proprietary functions performed by a political subdivision and its employees, whether performed on behalf of that political subdivision or on behalf of another political subdivision.

(3) Subject to statutory limitations upon their monetary jurisdiction, the courts of common pleas, the municipal courts, and the county courts have jurisdiction to hear and determine civil actions governed by or brought pursuant to this chapter.

(B) Subject to sections 2744.03 and 2744.05 of the Revised Code, a political subdivision is liable in damages in a civil action for injury, death, or loss to person or property allegedly caused by an act or omission of the political subdivision or of any of its employees in connection with a governmental or proprietary function, as follows:

(1) Except as otherwise provided in this division, political subdivisions are liable for injury, death, or loss to person or property caused by the negligent operation of any motor vehicle by their employees when the employees are engaged within the scope of their employment and authority. The following are full defenses to that liability:

(a) A member of a municipal corporation police department or any other police agency was operating a motor vehicle while responding to an emergency call and the operation of the vehicle did not constitute willful or wanton misconduct;

(b) A member of a municipal corporation fire department or any other firefighting agency was operating a motor vehicle while engaged in duty at a fire, proceeding toward a place where a fire is in progress or is believed to be in progress, or answering any other emergency alarm and the operation of

the vehicle did not constitute willful or wanton misconduct;

(c) A member of an emergency medical service owned or operated by a political subdivision was operating a motor vehicle while responding to or completing a call for emergency medical care or treatment, the member was holding a valid commercial driver's license issued pursuant to Chapter 4506. or a driver's license issued pursuant to Chapter 4507. of the Revised Code, the operation of the vehicle did not constitute willful or wanton misconduct, and the operation complies with the precautions of section 4511.03 of the Revised Code.

(2) Except as otherwise provided in sections 3314.07 and 3746.24 of the Revised Code, political subdivisions are liable for injury, death, or loss to person or property caused by the negligent performance of acts by their employees with respect to proprietary functions of the political subdivisions.

(3) Except as otherwise provided in section 3746.24 of the Revised Code, political subdivisions are liable for injury, death, or loss to person or property caused by their negligent failure to keep public roads in repair and other negligent failure to remove obstructions from public roads, except that it is a full defense to that liability, when a bridge within a municipal corporation is involved, that the municipal corporation does not have the responsibility for maintaining or inspecting the bridge.

(4) Except as otherwise provided in section 3746.24 of the Revised Code, political subdivisions are liable for injury, death, or loss to person or property that is caused by the negligence of their employees and that occurs within or on the grounds of, and is due to physical defects within or on the grounds of, buildings that are used in connection with the performance of a governmental function, including, but not limited to, office buildings and courthouses, but not including jails, places of juvenile detention, workhouses, or any other detention facility, as defined in section 2921.01 of the Revised Code.

(5) In addition to the circumstances described in divisions (B)(1) to (4) of this section, a political subdivision is liable for injury, death, or loss to person or property when civil liability is expressly imposed upon the political subdivision by a section of the Revised Code, including, but not limited to, sections 2743.02 and 5591.37 of the Revised Code. Civil liability shall not be construed to exist under another section of the Revised Code merely because that section imposes a responsibility or mandatory duty upon a political subdivision, because that section provides for a criminal penalty, because of a general authorization in that section that a political subdivision may sue and be sued, or because that section uses the term "shall" in a provision pertaining to a political subdivision.

(C) An order that denies a political subdivision or an employee of a political subdivision the benefit of an alleged immunity from liability as provided in this chapter or any other provision of the law is a final order.

Sec. 2913.40. (A) As used in this section:

(1) "Statement or representation" means any oral, written, electronic, electronic impulse, or magnetic communication that is used to identify an item of goods or a service for which reimbursement may be made under the medical assistance program or that states income and expense and is or may be used to determine a rate of reimbursement under the medical assistance program.

(2) "Medical assistance program" means the program established by the department of job and family services to provide medical assistance under section 5111.01 of the Revised Code and the medicaid program of Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(3) "Provider" means any person who has signed a provider agreement with the department of job and family services to provide goods or services pursuant to the medical assistance program or any person who has signed an agreement with a party to such a provider agreement under which the person agrees to provide goods or services that are reimbursable under the medical assistance program.

(4) "Provider agreement" means an oral or written agreement between the department of job and family services and a person in which the person agrees to provide goods or services under the medical assistance program.

(5) "Recipient" means any individual who receives goods or services from a provider under the medical assistance program.

(6) "Records" means any medical, professional, financial, or business records relating to the treatment or care of any recipient, to goods or services provided to any recipient, or to rates paid for goods or services provided to any recipient and any records that are required by the rules of the director of job and family services to be kept for the medical assistance program.

(B) No person shall knowingly make or cause to be made a false or misleading statement or representation for use in obtaining reimbursement from the medical assistance program.

(C) No person, with purpose to commit fraud or knowing that the person is facilitating a fraud, shall do either of the following:

(1) Contrary to the terms of the person's provider agreement, charge, solicit, accept, or receive for goods or services that the person provides under the medical assistance program any property, money, or other

consideration in addition to the amount of reimbursement under the medical assistance program and the person's provider agreement for the goods or services and any ~~deductibles or co-payments~~ cost-sharing expenses authorized by section 5111.0112 of the Revised Code or rules adopted pursuant to section 5111.01, 5111.011, or 5111.02 of the Revised Code.

(2) Solicit, offer, or receive any remuneration, other than any ~~deductibles or co-payments~~ cost-sharing expenses authorized by section 5111.0112 of the Revised Code or rules adopted under section 5111.01, 5111.011, or 5111.02 of the Revised Code, in cash or in kind, including, but not limited to, a kickback or rebate, in connection with the furnishing of goods or services for which whole or partial reimbursement is or may be made under the medical assistance program.

(D) No person, having submitted a claim for or provided goods or services under the medical assistance program, shall do either of the following for a period of at least six years after a reimbursement pursuant to that claim, or a reimbursement for those goods or services, is received under the medical assistance program:

(1) Knowingly alter, falsify, destroy, conceal, or remove any records that are necessary to fully disclose the nature of all goods or services for which the claim was submitted, or for which reimbursement was received, by the person;

(2) Knowingly alter, falsify, destroy, conceal, or remove any records that are necessary to disclose fully all income and expenditures upon which rates of reimbursements were based for the person.

(E) Whoever violates this section is guilty of medicaid fraud. Except as otherwise provided in this division, medicaid fraud is a misdemeanor of the first degree. If the value of property, services, or funds obtained in violation of this section is five hundred dollars or more and is less than five thousand dollars, medicaid fraud is a felony of the fifth degree. If the value of property, services, or funds obtained in violation of this section is five thousand dollars or more and is less than one hundred thousand dollars, medicaid fraud is a felony of the fourth degree. If the value of the property, services, or funds obtained in violation of this section is one hundred thousand dollars or more, medicaid fraud is a felony of the third degree.

(F) Upon application of the governmental agency, office, or other entity that conducted the investigation and prosecution in a case under this section, the court shall order any person who is convicted of a violation of this section for receiving any reimbursement for furnishing goods or services under the medical assistance program to which the person is not entitled to pay to the applicant its cost of investigating and prosecuting the case. The

costs of investigation and prosecution that a defendant is ordered to pay pursuant to this division shall be in addition to any other penalties for the receipt of that reimbursement that are provided in this section, section 5111.03 of the Revised Code, or any other provision of law.

(G) The provisions of this section are not intended to be exclusive remedies and do not preclude the use of any other criminal or civil remedy for any act that is in violation of this section.

Sec. 2921.42. (A) No public official shall knowingly do any of the following:

(1) Authorize, or employ the authority or influence of ~~his~~ the public official's office to secure authorization of any public contract in which ~~he~~ the public official, a member of ~~his~~ the public official's family, or any of ~~his~~ the public official's business associates has an interest;

(2) Authorize, or employ the authority or influence of ~~his~~ the public official's office to secure the investment of public funds in any share, bond, mortgage, or other security, with respect to which ~~he~~ the public official, a member of ~~his~~ the public official's family, or any of ~~his~~ the public official's business associates either has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees;

(3) During ~~his~~ the public official's term of office or within one year thereafter, occupy any position of profit in the prosecution of a public contract authorized by ~~him~~ the public official or by a legislative body, commission, or board of which ~~he~~ the public official was a member at the time of authorization, unless the contract was let by competitive bidding to the lowest and best bidder;

(4) Have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which ~~he~~ the public official is connected;

(5) Have an interest in the profits or benefits of a public contract that is not let by competitive bidding if required by law and that involves more than one hundred fifty dollars.

(B) In the absence of bribery or a purpose to defraud, a public official, member of ~~his~~ a public official's family, or any of ~~his~~ a public official's business associates shall not be considered as having an interest in a public contract or the investment of public funds, if all of the following apply:

(1) The interest of that person is limited to owning or controlling shares of the corporation, or being a creditor of the corporation or other organization, that is the contractor on the public contract involved, or that is the issuer of the security in which public funds are invested;

(2) The shares owned or controlled by that person do not exceed five per

cent of the outstanding shares of the corporation, and the amount due that person as creditor does not exceed five per cent of the total indebtedness of the corporation or other organization;

(3) That person, prior to the time the public contract is entered into, files with the political subdivision or governmental agency or instrumentality involved, an affidavit giving ~~his~~ that person's exact status in connection with the corporation or other organization.

(C) This section does not apply to a public contract in which a public official, member of ~~his~~ a public official's family, or one of ~~his~~ a public official's business associates has an interest, when all of the following apply:

(1) The subject of the public contract is necessary supplies or services for the political subdivision or governmental agency or instrumentality involved;

(2) The supplies or services are unobtainable elsewhere for the same or lower cost, or are being furnished to the political subdivision or governmental agency or instrumentality as part of a continuing course of dealing established prior to the public official's becoming associated with the political subdivision or governmental agency or instrumentality involved;

(3) The treatment accorded the political subdivision or governmental agency or instrumentality is either preferential to or the same as that accorded other customers or clients in similar transactions;

(4) The entire transaction is conducted at arm's length, with full knowledge by the political subdivision or governmental agency or instrumentality involved, of the interest of the public official, member of ~~his~~ the public official's family, or business associate, and the public official takes no part in the deliberations or decision of the political subdivision or governmental agency or instrumentality with respect to the public contract.

(D) Division (A)(4) of this section does not prohibit participation by a public employee in any housing program funded by public moneys if the public employee otherwise qualifies for the program and does not use the authority or influence of ~~his~~ the public employee's office or employment to secure benefits from the program and if the moneys are to be used on the primary residence of the public employee. Such participation does not constitute an unlawful interest in a public contract in violation of this section.

(E) Whoever violates this section is guilty of having an unlawful interest in a public contract. Violation of division (A)(1) or (2) of this section is a felony of the fourth degree. Violation of division (A)(3), (4), or (5) of this section is a misdemeanor of the first degree.

(F) It is not a violation of this section for a prosecuting attorney to appoint assistants and employees in accordance with sections 309.06 and 2921.421 of the Revised Code, for a chief legal officer of a municipal corporation or an official designated as prosecutor in a municipal corporation to appoint assistants and employees in accordance with sections 733.621 and 2921.421 of the Revised Code, or for a township law director appointed under section 504.15 of the Revised Code to appoint assistants and employees in accordance with sections 504.151 and 2921.421 of the Revised Code.

~~(F)~~(G) This section does not apply to a public contract in which a township trustee in a township with a population of five thousand or less in its unincorporated area, a member of the township trustee's family, or one of ~~his~~ the township trustee's business associates has an interest, if all of the following apply:

(1) The subject of the public contract is necessary supplies or services for the township and the amount of the contract is less than five thousand dollars per year;

(2) The supplies or services are being furnished to the township as part of a continuing course of dealing established before the township trustee held that office with the township;

(3) The treatment accorded the township is either preferential to or the same as that accorded other customers or clients in similar transactions;

(4) The entire transaction is conducted with full knowledge by the township of the interest of the township trustee, member of ~~his~~ the township trustee's family, or ~~his~~ the township trustee's business associate.

~~(G)~~(H) Any public contract in which a public official, a member of the public official's family, or any of the public official's business associates has an interest in violation of this section is void and unenforceable. Any contract securing the investment of public funds in which a public official, a member of the public official's family, or any of the public official's business associates has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees and that was entered into in violation of this section is void and unenforceable.

(I) As used in this section:

(1) "Public contract" means any of the following:

(a) The purchase or acquisition, or a contract for the purchase or acquisition, of property or services by or for the use of the state, any of its political subdivisions, or any agency or instrumentality of either, including the employment of an individual by the state, any of its political subdivisions, or any agency or instrumentality of either;

(b) A contract for the design, construction, alteration, repair, or maintenance of any public property.

(2) "Chief legal officer" has the same meaning as in section 733.621 of the Revised Code.

Sec. 2927.023. (A) As used in this section "authorized recipient of tobacco products" means a person who is:

(1) Licensed as a cigarette wholesale dealer under section 5743.15 of the Revised Code;

(2) Licensed as a ~~distributor of tobacco products under section 5743.61 of the Revised Code~~ retail dealer as long as the person purchases cigarettes with the appropriate tax stamp affixed;

(3) An export warehouse proprietor as defined in section 5702 of the Internal Revenue Code;

(4) An operator of a customs bonded warehouse under 19 U.S.C. 1311 or 19 U.S.C. 1555;

(5) An officer, employee, or agent of the federal government or of this state acting in the person's official capacity;

(6) A department, agency, instrumentality, or political subdivision of the federal government or of this state;

(7) A person having a consent for consumer shipment issued by the tax commissioner under section 5743.71 of the Revised Code.

The purpose of this section is to prevent the sale of cigarettes to minors and to ensure compliance with the Master Settlement Agreement, as defined in section 1346.01 of the Revised Code.

(B)(1) No person shall cause to be shipped any cigarettes to any person in this state other than an authorized recipient of tobacco products.

(2) No common carrier, contract carrier, or other person shall knowingly transport cigarettes to any person in this state that the carrier or other person reasonably believes is not an authorized recipient of tobacco products. If cigarettes are transported to a home or residence, it shall be presumed that the common carrier, contract carrier, or other person knew that the person to whom the cigarettes were delivered was not an authorized recipient of tobacco products.

(C) No person engaged in the business of selling cigarettes who ships or causes to be shipped cigarettes to any person in this state in any container or wrapping other than the original container or wrapping of the cigarettes shall fail to plainly and visibly mark the exterior of the container or wrapping in which the cigarettes are shipped with the words "cigarettes."

(D) A court shall impose a fine of up to one thousand dollars for each violation of division (B)(1), (B)(2), or (C) of this section.

Sec. 2935.03. (A)(1) A sheriff, deputy sheriff, marshal, deputy marshal, municipal police officer, township constable, police officer of a township or joint township police district, member of a police force employed by a metropolitan housing authority under division (D) of section 3735.31 of the Revised Code, member of a police force employed by a regional transit authority under division (Y) of section 306.35 of the Revised Code, state university law enforcement officer appointed under section 3345.04 of the Revised Code, veterans' home police officer appointed under section 5907.02 of the Revised Code, special police officer employed by a port authority under section 4582.04 or 4582.28 of the Revised Code, or a special police officer employed by a municipal corporation at a municipal airport, or other municipal air navigation facility, that has scheduled operations, as defined in section 119.3 of Title 14 of the Code of Federal Regulations, 14 C.F.R. 119.3, as amended, and that is required to be under a security program and is governed by aviation security rules of the transportation security administration of the United States department of transportation as provided in Parts 1542. and 1544. of Title 49 of the Code of Federal Regulations, as amended, shall arrest and detain, until a warrant can be obtained, a person found violating, within the limits of the political subdivision, metropolitan housing authority housing project, regional transit authority facilities or areas of a municipal corporation that have been agreed to by a regional transit authority and a municipal corporation located within its territorial jurisdiction, college, university, veterans' home operated under Chapter 5907. of the Revised Code, port authority, or municipal airport or other municipal air navigation facility, in which the peace officer is appointed, employed, or elected, a law of this state, an ordinance of a municipal corporation, or a resolution of a township.

(2) A peace officer of the department of natural resources or an individual designated to perform law enforcement duties under section 511.232, 1545.13, or 6101.75 of the Revised Code shall arrest and detain, until a warrant can be obtained, a person found violating, within the limits of the peace officer's or individual's territorial jurisdiction, a law of this state.

(3) The house sergeant at arms if the house sergeant at arms has arrest authority pursuant to division (E)(1) of section 101.311 of the Revised Code and an assistant house sergeant at arms shall arrest and detain, until a warrant can be obtained, a person found violating, within the limits of the sergeant at arms's or assistant sergeant at arms's territorial jurisdiction specified in division (D)(1)(a) of section 101.311 of the Revised Code or while providing security pursuant to division (D)(1)(f) of section 101.311 of the Revised Code, a law of this state, an ordinance of a municipal

corporation, or a resolution of a township.

(B)(1) When there is reasonable ground to believe that an offense of violence, the offense of criminal child enticement as defined in section 2905.05 of the Revised Code, the offense of public indecency as defined in section 2907.09 of the Revised Code, the offense of domestic violence as defined in section 2919.25 of the Revised Code, the offense of violating a protection order as defined in section 2919.27 of the Revised Code, the offense of menacing by stalking as defined in section 2903.211 of the Revised Code, the offense of aggravated trespass as defined in section 2911.211 of the Revised Code, a theft offense as defined in section 2913.01 of the Revised Code, or a felony drug abuse offense as defined in section 2925.01 of the Revised Code, has been committed within the limits of the political subdivision, metropolitan housing authority housing project, regional transit authority facilities or those areas of a municipal corporation that have been agreed to by a regional transit authority and a municipal corporation located within its territorial jurisdiction, college, university, veterans' home operated under Chapter 5907. of the Revised Code, port authority, or municipal airport or other municipal air navigation facility, in which the peace officer is appointed, employed, or elected or within the limits of the territorial jurisdiction of the peace officer, a peace officer described in division (A) of this section may arrest and detain until a warrant can be obtained any person who the peace officer has reasonable cause to believe is guilty of the violation.

(2) For purposes of division (B)(1) of this section, the execution of any of the following constitutes reasonable ground to believe that the offense alleged in the statement was committed and reasonable cause to believe that the person alleged in the statement to have committed the offense is guilty of the violation:

(a) A written statement by a person alleging that an alleged offender has committed the offense of menacing by stalking or aggravated trespass;

(b) A written statement by the administrator of the interstate compact on mental health appointed under section 5119.51 of the Revised Code alleging that a person who had been hospitalized, institutionalized, or confined in any facility under an order made pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code has escaped from the facility, from confinement in a vehicle for transportation to or from the facility, or from supervision by an employee of the facility that is incidental to hospitalization, institutionalization, or confinement in the facility and that occurs outside of the facility, in violation of section 2921.34 of the Revised Code;

(c) A written statement by the administrator of any facility in which a person has been hospitalized, institutionalized, or confined under an order made pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code alleging that the person has escaped from the facility, from confinement in a vehicle for transportation to or from the facility, or from supervision by an employee of the facility that is incidental to hospitalization, institutionalization, or confinement in the facility and that occurs outside of the facility, in violation of section 2921.34 of the Revised Code.

(3)(a) For purposes of division (B)(1) of this section, a peace officer described in division (A) of this section has reasonable grounds to believe that the offense of domestic violence or the offense of violating a protection order has been committed and reasonable cause to believe that a particular person is guilty of committing the offense if any of the following occurs:

(i) A person executes a written statement alleging that the person in question has committed the offense of domestic violence or the offense of violating a protection order against the person who executes the statement or against a child of the person who executes the statement.

(ii) No written statement of the type described in division (B)(3)(a)(i) of this section is executed, but the peace officer, based upon the peace officer's own knowledge and observation of the facts and circumstances of the alleged incident of the offense of domestic violence or the alleged incident of the offense of violating a protection order or based upon any other information, including, but not limited to, any reasonably trustworthy information given to the peace officer by the alleged victim of the alleged incident of the offense or any witness of the alleged incident of the offense, concludes that there are reasonable grounds to believe that the offense of domestic violence or the offense of violating a protection order has been committed and reasonable cause to believe that the person in question is guilty of committing the offense.

(iii) No written statement of the type described in division (B)(3)(a)(i) of this section is executed, but the peace officer witnessed the person in question commit the offense of domestic violence or the offense of violating a protection order.

(b) If pursuant to division (B)(3)(a) of this section a peace officer has reasonable grounds to believe that the offense of domestic violence or the offense of violating a protection order has been committed and reasonable cause to believe that a particular person is guilty of committing the offense, it is the preferred course of action in this state that the officer arrest and detain that person pursuant to division (B)(1) of this section until a warrant

can be obtained.

If pursuant to division (B)(3)(a) of this section a peace officer has reasonable grounds to believe that the offense of domestic violence or the offense of violating a protection order has been committed and reasonable cause to believe that family or household members have committed the offense against each other, it is the preferred course of action in this state that the officer, pursuant to division (B)(1) of this section, arrest and detain until a warrant can be obtained the family or household member who committed the offense and whom the officer has reasonable cause to believe is the primary physical aggressor. There is no preferred course of action in this state regarding any other family or household member who committed the offense and whom the officer does not have reasonable cause to believe is the primary physical aggressor, but, pursuant to division (B)(1) of this section, the peace officer may arrest and detain until a warrant can be obtained any other family or household member who committed the offense and whom the officer does not have reasonable cause to believe is the primary physical aggressor.

(c) If a peace officer described in division (A) of this section does not arrest and detain a person whom the officer has reasonable cause to believe committed the offense of domestic violence or the offense of violating a protection order when it is the preferred course of action in this state pursuant to division (B)(3)(b) of this section that the officer arrest that person, the officer shall articulate in the written report of the incident required by section 2935.032 of the Revised Code a clear statement of the officer's reasons for not arresting and detaining that person until a warrant can be obtained.

(d) In determining for purposes of division (B)(3)(b) of this section which family or household member is the primary physical aggressor in a situation in which family or household members have committed the offense of domestic violence or the offense of violating a protection order against each other, a peace officer described in division (A) of this section, in addition to any other relevant circumstances, should consider all of the following:

(i) Any history of domestic violence or of any other violent acts by either person involved in the alleged offense that the officer reasonably can ascertain;

(ii) If violence is alleged, whether the alleged violence was caused by a person acting in self-defense;

(iii) Each person's fear of physical harm, if any, resulting from the other person's threatened use of force against any person or resulting from the

other person's use or history of the use of force against any person, and the reasonableness of that fear;

(iv) The comparative severity of any injuries suffered by the persons involved in the alleged offense.

(e)(i) A peace officer described in division (A) of this section shall not require, as a prerequisite to arresting or charging a person who has committed the offense of domestic violence or the offense of violating a protection order, that the victim of the offense specifically consent to the filing of charges against the person who has committed the offense or sign a complaint against the person who has committed the offense.

(ii) If a person is arrested for or charged with committing the offense of domestic violence or the offense of violating a protection order and if the victim of the offense does not cooperate with the involved law enforcement or prosecuting authorities in the prosecution of the offense or, subsequent to the arrest or the filing of the charges, informs the involved law enforcement or prosecuting authorities that the victim does not wish the prosecution of the offense to continue or wishes to drop charges against the alleged offender relative to the offense, the involved prosecuting authorities, in determining whether to continue with the prosecution of the offense or whether to dismiss charges against the alleged offender relative to the offense and notwithstanding the victim's failure to cooperate or the victim's wishes, shall consider all facts and circumstances that are relevant to the offense, including, but not limited to, the statements and observations of the peace officers who responded to the incident that resulted in the arrest or filing of the charges and of all witnesses to that incident.

(f) In determining pursuant to divisions (B)(3)(a) to (g) of this section whether to arrest a person pursuant to division (B)(1) of this section, a peace officer described in division (A) of this section shall not consider as a factor any possible shortage of cell space at the detention facility to which the person will be taken subsequent to the person's arrest or any possibility that the person's arrest might cause, contribute to, or exacerbate overcrowding at that detention facility or at any other detention facility.

(g) If a peace officer described in division (A) of this section intends pursuant to divisions (B)(3)(a) to (g) of this section to arrest a person pursuant to division (B)(1) of this section and if the officer is unable to do so because the person is not present, the officer promptly shall seek a warrant for the arrest of the person.

(h) If a peace officer described in division (A) of this section responds to a report of an alleged incident of the offense of domestic violence or an alleged incident of the offense of violating a protection order and if the

circumstances of the incident involved the use or threatened use of a deadly weapon or any person involved in the incident brandished a deadly weapon during or in relation to the incident, the deadly weapon that was used, threatened to be used, or brandished constitutes contraband, and, to the extent possible, the officer shall seize the deadly weapon as contraband pursuant to Chapter 2981. of the Revised Code. Upon the seizure of a deadly weapon pursuant to division (B)(3)(h) of this section, section 2981.12 of the Revised Code shall apply regarding the treatment and disposition of the deadly weapon. For purposes of that section, the "underlying criminal offense" that was the basis of the seizure of a deadly weapon under division (B)(3)(h) of this section and to which the deadly weapon had a relationship is any of the following that is applicable:

(i) The alleged incident of the offense of domestic violence or the alleged incident of the offense of violating a protection order to which the officer who seized the deadly weapon responded;

(ii) Any offense that arose out of the same facts and circumstances as the report of the alleged incident of the offense of domestic violence or the alleged incident of the offense of violating a protection order to which the officer who seized the deadly weapon responded.

(4) If, in the circumstances described in divisions (B)(3)(a) to (g) of this section, a peace officer described in division (A) of this section arrests and detains a person pursuant to division (B)(1) of this section, or if, pursuant to division (B)(3)(h) of this section, a peace officer described in division (A) of this section seizes a deadly weapon, the officer, to the extent described in and in accordance with section 9.86 or 2744.03 of the Revised Code, is immune in any civil action for damages for injury, death, or loss to person or property that arises from or is related to the arrest and detention or the seizure.

(C) When there is reasonable ground to believe that a violation of division (A)(1), (2), (3), (4), or (5) of section 4506.15 or a violation of section 4511.19 of the Revised Code has been committed by a person operating a motor vehicle subject to regulation by the public utilities commission of Ohio under Title XLIX of the Revised Code, a peace officer with authority to enforce that provision of law may stop or detain the person whom the officer has reasonable cause to believe was operating the motor vehicle in violation of the division or section and, after investigating the circumstances surrounding the operation of the vehicle, may arrest and detain the person.

(D) If a sheriff, deputy sheriff, marshal, deputy marshal, municipal police officer, member of a police force employed by a metropolitan

housing authority under division (D) of section 3735.31 of the Revised Code, member of a police force employed by a regional transit authority under division (Y) of section 306.35 of the Revised Code, special police officer employed by a port authority under section 4582.04 or 4582.28 of the Revised Code, special police officer employed by a municipal corporation at a municipal airport or other municipal air navigation facility described in division (A) of this section, township constable, police officer of a township or joint township police district, state university law enforcement officer appointed under section 3345.04 of the Revised Code, peace officer of the department of natural resources, individual designated to perform law enforcement duties under section 511.232, 1545.13, or 6101.75 of the Revised Code, the house sergeant at arms if the house sergeant at arms has arrest authority pursuant to division (E)(1) of section 101.311 of the Revised Code, or an assistant house sergeant at arms is authorized by division (A) or (B) of this section to arrest and detain, within the limits of the political subdivision, metropolitan housing authority housing project, regional transit authority facilities or those areas of a municipal corporation that have been agreed to by a regional transit authority and a municipal corporation located within its territorial jurisdiction, port authority, municipal airport or other municipal air navigation facility, college, or university in which the officer is appointed, employed, or elected or within the limits of the territorial jurisdiction of the peace officer, a person until a warrant can be obtained, the peace officer, outside the limits of that territory, may pursue, arrest, and detain that person until a warrant can be obtained if all of the following apply:

(1) The pursuit takes place without unreasonable delay after the offense is committed;

(2) The pursuit is initiated within the limits of the political subdivision, metropolitan housing authority housing project, regional transit authority facilities or those areas of a municipal corporation that have been agreed to by a regional transit authority and a municipal corporation located within its territorial jurisdiction, port authority, municipal airport or other municipal air navigation facility, college, or university in which the peace officer is appointed, employed, or elected or within the limits of the territorial jurisdiction of the peace officer;

(3) The offense involved is a felony, a misdemeanor of the first degree or a substantially equivalent municipal ordinance, a misdemeanor of the second degree or a substantially equivalent municipal ordinance, or any offense for which points are chargeable pursuant to section 4510.036 of the Revised Code.

(E) In addition to the authority granted under division (A) or (B) of this section:

(1) A sheriff or deputy sheriff may arrest and detain, until a warrant can be obtained, any person found violating section 4503.11, 4503.21, or 4549.01, sections 4549.08 to 4549.12, section 4549.62, or Chapter 4511. or 4513. of the Revised Code on the portion of any street or highway that is located immediately adjacent to the boundaries of the county in which the sheriff or deputy sheriff is elected or appointed.

(2) A member of the police force of a township police district created under section 505.48 of the Revised Code, a member of the police force of a joint township police district created under section 505.481 of the Revised Code, or a township constable appointed in accordance with section 509.01 of the Revised Code, who has received a certificate from the Ohio peace officer training commission under section 109.75 of the Revised Code, may arrest and detain, until a warrant can be obtained, any person found violating any section or chapter of the Revised Code listed in division (E)(1) of this section, other than sections 4513.33 and 4513.34 of the Revised Code, on the portion of any street or highway that is located immediately adjacent to the boundaries of the township police district or joint township police district, in the case of a member of a township police district or joint township police district police force, or the unincorporated territory of the township, in the case of a township constable. However, if the population of the township that created the township police district served by the member's police force, or the townships that created the joint township police district served by the member's police force, or the township that is served by the township constable, is sixty thousand or less, the member of the township police district or joint police district police force or the township constable may not make an arrest under division (E)(2) of this section on a state highway that is included as part of the interstate system.

(3) A police officer or village marshal appointed, elected, or employed by a municipal corporation may arrest and detain, until a warrant can be obtained, any person found violating any section or chapter of the Revised Code listed in division (E)(1) of this section on the portion of any street or highway that is located immediately adjacent to the boundaries of the municipal corporation in which the police officer or village marshal is appointed, elected, or employed.

(4) A peace officer of the department of natural resources or an individual designated to perform law enforcement duties under section 511.232, 1545.13, or 6101.75 of the Revised Code may arrest and detain, until a warrant can be obtained, any person found violating any section or

chapter of the Revised Code listed in division (E)(1) of this section, other than sections 4513.33 and 4513.34 of the Revised Code, on the portion of any street or highway that is located immediately adjacent to the boundaries of the lands and waters that constitute the territorial jurisdiction of the peace officer.

(F)(1) A department of mental health special police officer or a department of mental retardation and developmental disabilities special police officer may arrest without a warrant and detain until a warrant can be obtained any person found committing on the premises of any institution under the jurisdiction of the particular department a misdemeanor under a law of the state.

A department of mental health special police officer or a department of mental retardation and developmental disabilities special police officer may arrest without a warrant and detain until a warrant can be obtained any person who has been hospitalized, institutionalized, or confined in an institution under the jurisdiction of the particular department pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code and who is found committing on the premises of any institution under the jurisdiction of the particular department a violation of section 2921.34 of the Revised Code that involves an escape from the premises of the institution.

(2)(a) If a department of mental health special police officer or a department of mental retardation and developmental disabilities special police officer finds any person who has been hospitalized, institutionalized, or confined in an institution under the jurisdiction of the particular department pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code committing a violation of section 2921.34 of the Revised Code that involves an escape from the premises of the institution, or if there is reasonable ground to believe that a violation of section 2921.34 of the Revised Code has been committed that involves an escape from the premises of an institution under the jurisdiction of the department of mental health or the department of mental retardation and developmental disabilities and if a department of mental health special police officer or a department of mental retardation and developmental disabilities special police officer has reasonable cause to believe that a particular person who has been hospitalized, institutionalized, or confined in the institution pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code is guilty of the violation, the special police officer, outside of the premises of the institution, may pursue,

arrest, and detain that person for that violation of section 2921.34 of the Revised Code, until a warrant can be obtained, if both of the following apply:

(i) The pursuit takes place without unreasonable delay after the offense is committed;

(ii) The pursuit is initiated within the premises of the institution from which the violation of section 2921.34 of the Revised Code occurred.

(b) For purposes of division (F)(2)(a) of this section, the execution of a written statement by the administrator of the institution in which a person had been hospitalized, institutionalized, or confined pursuant to or under authority of section 2945.37, 2945.371, 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code alleging that the person has escaped from the premises of the institution in violation of section 2921.34 of the Revised Code constitutes reasonable ground to believe that the violation was committed and reasonable cause to believe that the person alleged in the statement to have committed the offense is guilty of the violation.

(G) As used in this section:

(1) A "department of mental health special police officer" means a special police officer of the department of mental health designated under section 5119.14 of the Revised Code who is certified by the Ohio peace officer training commission under section 109.77 of the Revised Code as having successfully completed an approved peace officer basic training program.

(2) A "department of mental retardation and developmental disabilities special police officer" means a special police officer of the department of mental retardation and developmental disabilities designated under section 5123.13 of the Revised Code who is certified by the Ohio peace officer training council under section 109.77 of the Revised Code as having successfully completed an approved peace officer basic training program.

(3) "Deadly weapon" has the same meaning as in section 2923.11 of the Revised Code.

(4) "Family or household member" has the same meaning as in section 2919.25 of the Revised Code.

(5) "Street" or "highway" has the same meaning as in section 4511.01 of the Revised Code.

(6) "Interstate system" has the same meaning as in section 5516.01 of the Revised Code.

(7) "Peace officer of the department of natural resources" means an employee of the department of natural resources who is a natural resources

law enforcement staff officer designated pursuant to section 1501.013 of the Revised Code, a forest officer designated pursuant to section 1503.29 of the Revised Code, a preserve officer designated pursuant to section 1517.10 of the Revised Code, a wildlife officer designated pursuant to section 1531.13 of the Revised Code, a park officer designated pursuant to section 1541.10 of the Revised Code, or a state watercraft officer designated pursuant to section 1547.521 of the Revised Code.

(8) "Portion of any street or highway" means all lanes of the street or highway irrespective of direction of travel, including designated turn lanes, and any berm, median, or shoulder.

Sec. 3109.04. (A) In any divorce, legal separation, or annulment proceeding and in any proceeding pertaining to the allocation of parental rights and responsibilities for the care of a child, upon hearing the testimony of either or both parents and considering any mediation report filed pursuant to section 3109.052 of the Revised Code and in accordance with sections 3127.01 to 3127.53 of the Revised Code, the court shall allocate the parental rights and responsibilities for the care of the minor children of the marriage. Subject to division (D)(2) of this section, the court may allocate the parental rights and responsibilities for the care of the children in either of the following ways:

(1) If neither parent files a pleading or motion in accordance with division (G) of this section, if at least one parent files a pleading or motion under that division but no parent who filed a pleading or motion under that division also files a plan for shared parenting, or if at least one parent files both a pleading or motion and a shared parenting plan under that division but no plan for shared parenting is in the best interest of the children, the court, in a manner consistent with the best interest of the children, shall allocate the parental rights and responsibilities for the care of the children primarily to one of the parents, designate that parent as the residential parent and the legal custodian of the child, and divide between the parents the other rights and responsibilities for the care of the children, including, but not limited to, the responsibility to provide support for the children and the right of the parent who is not the residential parent to have continuing contact with the children.

(2) If at least one parent files a pleading or motion in accordance with division (G) of this section and a plan for shared parenting pursuant to that division and if a plan for shared parenting is in the best interest of the children and is approved by the court in accordance with division (D)(1) of this section, the court may allocate the parental rights and responsibilities for the care of the children to both parents and issue a shared parenting order

requiring the parents to share all or some of the aspects of the physical and legal care of the children in accordance with the approved plan for shared parenting. If the court issues a shared parenting order under this division and it is necessary for the purpose of receiving public assistance, the court shall designate which one of the parents' residences is to serve as the child's home. The child support obligations of the parents under a shared parenting order issued under this division shall be determined in accordance with Chapters 3119., 3121., 3123., and 3125. of the Revised Code.

(B)(1) When making the allocation of the parental rights and responsibilities for the care of the children under this section in an original proceeding or in any proceeding for modification of a prior order of the court making the allocation, the court shall take into account that which would be in the best interest of the children. In determining the child's best interest for purposes of making its allocation of the parental rights and responsibilities for the care of the child and for purposes of resolving any issues related to the making of that allocation, the court, in its discretion, may and, upon the request of either party, shall interview in chambers any or all of the involved children regarding their wishes and concerns with respect to the allocation.

(2) If the court interviews any child pursuant to division (B)(1) of this section, all of the following apply:

(a) The court, in its discretion, may and, upon the motion of either parent, shall appoint a guardian ad litem for the child.

(b) The court first shall determine the reasoning ability of the child. If the court determines that the child does not have sufficient reasoning ability to express the child's wishes and concern with respect to the allocation of parental rights and responsibilities for the care of the child, it shall not determine the child's wishes and concerns with respect to the allocation. If the court determines that the child has sufficient reasoning ability to express the child's wishes or concerns with respect to the allocation, it then shall determine whether, because of special circumstances, it would not be in the best interest of the child to determine the child's wishes and concerns with respect to the allocation. If the court determines that, because of special circumstances, it would not be in the best interest of the child to determine the child's wishes and concerns with respect to the allocation, it shall not determine the child's wishes and concerns with respect to the allocation and shall enter its written findings of fact and opinion in the journal. If the court determines that it would be in the best interests of the child to determine the child's wishes and concerns with respect to the allocation, it shall proceed to make that determination.

(c) The interview shall be conducted in chambers, and no person other than the child, the child's attorney, the judge, any necessary court personnel, and, in the judge's discretion, the attorney of each parent shall be permitted to be present in the chambers during the interview.

(3) No person shall obtain or attempt to obtain from a child a written or recorded statement or affidavit setting forth the child's wishes and concerns regarding the allocation of parental rights and responsibilities concerning the child. No court, in determining the child's best interest for purposes of making its allocation of the parental rights and responsibilities for the care of the child or for purposes of resolving any issues related to the making of that allocation, shall accept or consider a written or recorded statement or affidavit that purports to set forth the child's wishes and concerns regarding those matters.

(C) Prior to trial, the court may cause an investigation to be made as to the character, family relations, past conduct, earning ability, and financial worth of each parent and may order the parents and their minor children to submit to medical, psychological, and psychiatric examinations. The report of the investigation and examinations shall be made available to either parent or the parent's counsel of record not less than five days before trial, upon written request. The report shall be signed by the investigator, and the investigator shall be subject to cross-examination by either parent concerning the contents of the report. The court may tax as costs all or any part of the expenses for each investigation.

If the court determines that either parent previously has been convicted of or pleaded guilty to any criminal offense involving any act that resulted in a child being a neglected child, that either parent previously has been determined to be the perpetrator of the neglectful act that is the basis of an adjudication that a child is a neglected child, or that there is reason to believe that either parent has acted in a manner resulting in a child being a neglected child, the court shall consider that fact against naming that parent the residential parent and against granting a shared parenting decree. When the court allocates parental rights and responsibilities for the care of children or determines whether to grant shared parenting in any proceeding, it shall consider whether either parent or any member of the household of either parent has been convicted of or pleaded guilty to a violation of section 2919.25 of the Revised Code or a sexually oriented offense involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the proceeding, has been convicted of or pleaded guilty to any sexually oriented offense or other offense involving a victim who at the time of the commission of the offense

was a member of the family or household that is the subject of the proceeding and caused physical harm to the victim in the commission of the offense, or has been determined to be the perpetrator of the abusive act that is the basis of an adjudication that a child is an abused child. If the court determines that either parent has been convicted of or pleaded guilty to a violation of section 2919.25 of the Revised Code or a sexually oriented offense involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the proceeding, has been convicted of or pleaded guilty to any sexually oriented offense or other offense involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the proceeding and caused physical harm to the victim in the commission of the offense, or has been determined to be the perpetrator of the abusive act that is the basis of an adjudication that a child is an abused child, it may designate that parent as the residential parent and may issue a shared parenting decree or order only if it determines that it is in the best interest of the child to name that parent the residential parent or to issue a shared parenting decree or order and it makes specific written findings of fact to support its determination.

(D)(1)(a) Upon the filing of a pleading or motion by either parent or both parents, in accordance with division (G) of this section, requesting shared parenting and the filing of a shared parenting plan in accordance with that division, the court shall comply with division (D)(1)(a)(i), (ii), or (iii) of this section, whichever is applicable:

(i) If both parents jointly make the request in their pleadings or jointly file the motion and also jointly file the plan, the court shall review the parents' plan to determine if it is in the best interest of the children. If the court determines that the plan is in the best interest of the children, the court shall approve it. If the court determines that the plan or any part of the plan is not in the best interest of the children, the court shall require the parents to make appropriate changes to the plan to meet the court's objections to it. If changes to the plan are made to meet the court's objections, and if the new plan is in the best interest of the children, the court shall approve the plan. If changes to the plan are not made to meet the court's objections, or if the parents attempt to make changes to the plan to meet the court's objections, but the court determines that the new plan or any part of the new plan still is not in the best interest of the children, the court may reject the portion of the parents' pleadings or deny their motion requesting shared parenting of the children and proceed as if the request in the pleadings or the motion had not been made. The court shall not approve a plan under this division unless it

determines that the plan is in the best interest of the children.

(ii) If each parent makes a request in the parent's pleadings or files a motion and each also files a separate plan, the court shall review each plan filed to determine if either is in the best interest of the children. If the court determines that one of the filed plans is in the best interest of the children, the court may approve the plan. If the court determines that neither filed plan is in the best interest of the children, the court may order each parent to submit appropriate changes to the parent's plan or both of the filed plans to meet the court's objections, or may select one of the filed plans and order each parent to submit appropriate changes to the selected plan to meet the court's objections. If changes to the plan or plans are submitted to meet the court's objections, and if any of the filed plans with the changes is in the best interest of the children, the court may approve the plan with the changes. If changes to the plan or plans are not submitted to meet the court's objections, or if the parents submit changes to the plan or plans to meet the court's objections but the court determines that none of the filed plans with the submitted changes is in the best interest of the children, the court may reject the portion of the parents' pleadings or deny their motions requesting shared parenting of the children and proceed as if the requests in the pleadings or the motions had not been made. If the court approves a plan under this division, either as originally filed or with submitted changes, or if the court rejects the portion of the parents' pleadings or denies their motions requesting shared parenting under this division and proceeds as if the requests in the pleadings or the motions had not been made, the court shall enter in the record of the case findings of fact and conclusions of law as to the reasons for the approval or the rejection or denial. Division (D)(1)(b) of this section applies in relation to the approval or disapproval of a plan under this division.

(iii) If each parent makes a request in the parent's pleadings or files a motion but only one parent files a plan, or if only one parent makes a request in the parent's pleadings or files a motion and also files a plan, the court in the best interest of the children may order the other parent to file a plan for shared parenting in accordance with division (G) of this section. The court shall review each plan filed to determine if any plan is in the best interest of the children. If the court determines that one of the filed plans is in the best interest of the children, the court may approve the plan. If the court determines that no filed plan is in the best interest of the children, the court may order each parent to submit appropriate changes to the parent's plan or both of the filed plans to meet the court's objections or may select one filed plan and order each parent to submit appropriate changes to the

selected plan to meet the court's objections. If changes to the plan or plans are submitted to meet the court's objections, and if any of the filed plans with the changes is in the best interest of the children, the court may approve the plan with the changes. If changes to the plan or plans are not submitted to meet the court's objections, or if the parents submit changes to the plan or plans to meet the court's objections but the court determines that none of the filed plans with the submitted changes is in the best interest of the children, the court may reject the portion of the parents' pleadings or deny the parents' motion or reject the portion of the parents' pleadings or deny their motions requesting shared parenting of the children and proceed as if the request or requests or the motion or motions had not been made. If the court approves a plan under this division, either as originally filed or with submitted changes, or if the court rejects the portion of the pleadings or denies the motion or motions requesting shared parenting under this division and proceeds as if the request or requests or the motion or motions had not been made, the court shall enter in the record of the case findings of fact and conclusions of law as to the reasons for the approval or the rejection or denial. Division (D)(1)(b) of this section applies in relation to the approval or disapproval of a plan under this division.

(b) The approval of a plan under division (D)(1)(a)(ii) or (iii) of this section is discretionary with the court. The court shall not approve more than one plan under either division and shall not approve a plan under either division unless it determines that the plan is in the best interest of the children. If the court, under either division, does not determine that any filed plan or any filed plan with submitted changes is in the best interest of the children, the court shall not approve any plan.

(c) Whenever possible, the court shall require that a shared parenting plan approved under division (D)(1)(a)(i), (ii), or (iii) of this section ensure the opportunity for both parents to have frequent and continuing contact with the child, unless frequent and continuing contact with any parent would not be in the best interest of the child.

(d) If a court approves a shared parenting plan under division (D)(1)(a)(i), (ii), or (iii) of this section, the approved plan shall be incorporated into a final shared parenting decree granting the parents the shared parenting of the children. Any final shared parenting decree shall be issued at the same time as and shall be appended to the final decree of dissolution, divorce, annulment, or legal separation arising out of the action out of which the question of the allocation of parental rights and responsibilities for the care of the children arose.

No provisional shared parenting decree shall be issued in relation to any

shared parenting plan approved under division (D)(1)(a)(i), (ii), or (iii) of this section. A final shared parenting decree issued under this division has immediate effect as a final decree on the date of its issuance, subject to modification or termination as authorized by this section.

(2) If the court finds, with respect to any child under eighteen years of age, that it is in the best interest of the child for neither parent to be designated the residential parent and legal custodian of the child, it may commit the child to a relative of the child or certify a copy of its findings, together with as much of the record and the further information, in narrative form or otherwise, that it considers necessary or as the juvenile court requests, to the juvenile court for further proceedings, and, upon the certification, the juvenile court has exclusive jurisdiction.

(E)(1)(a) The court shall not modify a prior decree allocating parental rights and responsibilities for the care of children unless it finds, based on facts that have arisen since the prior decree or that were unknown to the court at the time of the prior decree, that a change has occurred in the circumstances of the child, the child's residential parent, or either of the parents subject to a shared parenting decree, and that the modification is necessary to serve the best interest of the child. In applying these standards, the court shall retain the residential parent designated by the prior decree or the prior shared parenting decree, unless a modification is in the best interest of the child and one of the following applies:

(i) The residential parent agrees to a change in the residential parent or both parents under a shared parenting decree agree to a change in the designation of residential parent.

(ii) The child, with the consent of the residential parent or of both parents under a shared parenting decree, has been integrated into the family of the person seeking to become the residential parent.

(iii) The harm likely to be caused by a change of environment is outweighed by the advantages of the change of environment to the child.

(b) One or both of the parents under a prior decree allocating parental rights and responsibilities for the care of children that is not a shared parenting decree may file a motion requesting that the prior decree be modified to give both parents shared rights and responsibilities for the care of the children. The motion shall include both a request for modification of the prior decree and a request for a shared parenting order that complies with division (G) of this section. Upon the filing of the motion, if the court determines that a modification of the prior decree is authorized under division (E)(1)(a) of this section, the court may modify the prior decree to grant a shared parenting order, provided that the court shall not modify the

prior decree to grant a shared parenting order unless the court complies with divisions (A) and (D)(1) of this section and, in accordance with those divisions, approves the submitted shared parenting plan and determines that shared parenting would be in the best interest of the children.

(2) In addition to a modification authorized under division (E)(1) of this section:

(a) Both parents under a shared parenting decree jointly may modify the terms of the plan for shared parenting approved by the court and incorporated by it into the shared parenting decree. Modifications under this division may be made at any time. The modifications to the plan shall be filed jointly by both parents with the court, and the court shall include them in the plan, unless they are not in the best interest of the children. If the modifications are not in the best interests of the children, the court, in its discretion, may reject the modifications or make modifications to the proposed modifications or the plan that are in the best interest of the children. Modifications jointly submitted by both parents under a shared parenting decree shall be effective, either as originally filed or as modified by the court, upon their inclusion by the court in the plan. Modifications to the plan made by the court shall be effective upon their inclusion by the court in the plan.

(b) The court may modify the terms of the plan for shared parenting approved by the court and incorporated by it into the shared parenting decree upon its own motion at any time if the court determines that the modifications are in the best interest of the children or upon the request of one or both of the parents under the decree. Modifications under this division may be made at any time. The court shall not make any modification to the plan under this division, unless the modification is in the best interest of the children.

(c) The court may terminate a prior final shared parenting decree that includes a shared parenting plan approved under division (D)(1)(a)(i) of this section upon the request of one or both of the parents or whenever it determines that shared parenting is not in the best interest of the children. The court may terminate a prior final shared parenting decree that includes a shared parenting plan approved under division (D)(1)(a)(ii) or (iii) of this section if it determines, upon its own motion or upon the request of one or both parents, that shared parenting is not in the best interest of the children. If modification of the terms of the plan for shared parenting approved by the court and incorporated by it into the final shared parenting decree is attempted under division (E)(2)(a) of this section and the court rejects the modifications, it may terminate the final shared parenting decree if it

determines that shared parenting is not in the best interest of the children.

(d) Upon the termination of a prior final shared parenting decree under division (E)(2)(c) of this section, the court shall proceed and issue a modified decree for the allocation of parental rights and responsibilities for the care of the children under the standards applicable under divisions (A), (B), and (C) of this section as if no decree for shared parenting had been granted and as if no request for shared parenting ever had been made.

(F)(1) In determining the best interest of a child pursuant to this section, whether on an original decree allocating parental rights and responsibilities for the care of children or a modification of a decree allocating those rights and responsibilities, the court shall consider all relevant factors, including, but not limited to:

(a) The wishes of the child's parents regarding the child's care;

(b) If the court has interviewed the child in chambers pursuant to division (B) of this section regarding the child's wishes and concerns as to the allocation of parental rights and responsibilities concerning the child, the wishes and concerns of the child, as expressed to the court;

(c) The child's interaction and interrelationship with the child's parents, siblings, and any other person who may significantly affect the child's best interest;

(d) The child's adjustment to the child's home, school, and community;

(e) The mental and physical health of all persons involved in the situation;

(f) The parent more likely to honor and facilitate court-approved parenting time rights or visitation and companionship rights;

(g) Whether either parent has failed to make all child support payments, including all arrearages, that are required of that parent pursuant to a child support order under which that parent is an obligor;

(h) Whether either parent or any member of the household of either parent previously has been convicted of or pleaded guilty to any criminal offense involving any act that resulted in a child being an abused child or a neglected child; whether either parent, in a case in which a child has been adjudicated an abused child or a neglected child, previously has been determined to be the perpetrator of the abusive or neglectful act that is the basis of an adjudication; whether either parent or any member of the household of either parent previously has been convicted of or pleaded guilty to a violation of section 2919.25 of the Revised Code or a sexually oriented offense involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the current proceeding; whether either parent or any member of the household

of either parent previously has been convicted of or pleaded guilty to any offense involving a victim who at the time of the commission of the offense was a member of the family or household that is the subject of the current proceeding and caused physical harm to the victim in the commission of the offense; and whether there is reason to believe that either parent has acted in a manner resulting in a child being an abused child or a neglected child;

(i) Whether the residential parent or one of the parents subject to a shared parenting decree has continuously and willfully denied the other parent's right to parenting time in accordance with an order of the court;

(j) Whether either parent has established a residence, or is planning to establish a residence, outside this state.

(2) In determining whether shared parenting is in the best interest of the children, the court shall consider all relevant factors, including, but not limited to, the factors enumerated in division (F)(1) of this section, the factors enumerated in section 3119.23 of the Revised Code, and all of the following factors:

(a) The ability of the parents to cooperate and make decisions jointly, with respect to the children;

(b) The ability of each parent to encourage the sharing of love, affection, and contact between the child and the other parent;

(c) Any history of, or potential for, child abuse, spouse abuse, other domestic violence, or parental kidnapping by either parent;

(d) The geographic proximity of the parents to each other, as the proximity relates to the practical considerations of shared parenting;

(e) The recommendation of the guardian ad litem of the child, if the child has a guardian ad litem.

(3) When allocating parental rights and responsibilities for the care of children, the court shall not give preference to a parent because of that parent's financial status or condition.

(G) Either parent or both parents of any children may file a pleading or motion with the court requesting the court to grant both parents shared parental rights and responsibilities for the care of the children in a proceeding held pursuant to division (A) of this section. If a pleading or motion requesting shared parenting is filed, the parent or parents filing the pleading or motion also shall file with the court a plan for the exercise of shared parenting by both parents. If each parent files a pleading or motion requesting shared parenting but only one parent files a plan or if only one parent files a pleading or motion requesting shared parenting and also files a plan, the other parent as ordered by the court shall file with the court a plan for the exercise of shared parenting by both parents. The plan for shared

parenting shall be filed with the petition for dissolution of marriage, if the question of parental rights and responsibilities for the care of the children arises out of an action for dissolution of marriage, or, in other cases, at a time at least thirty days prior to the hearing on the issue of the parental rights and responsibilities for the care of the children. A plan for shared parenting shall include provisions covering all factors that are relevant to the care of the children, including, but not limited to, provisions covering factors such as physical living arrangements, child support obligations, provision for the children's medical and dental care, school placement, and the parent with which the children will be physically located during legal holidays, school holidays, and other days of special importance.

(H) If an appeal is taken from a decision of a court that grants or modifies a decree allocating parental rights and responsibilities for the care of children, the court of appeals shall give the case calendar priority and handle it expeditiously.

(I) Upon receipt of an order to active military service in the uniformed services, a parent who is subject to an order allocating parental rights and responsibilities or in relation to whom an action to allocate parental rights and responsibilities is pending and who is ordered to active military service shall notify the other parent who is subject to the order or in relation to whom the case is pending of the order to active military service within three days of receiving the military service order. Either parent may apply to the court for a hearing to expedite an allocation or modification proceeding. The application shall include the date on which the active military service begins.

The court shall schedule a hearing upon receipt of the application and hold the hearing not later than thirty days after receipt of the application, except that the court shall give the case calendar priority and handle the case expeditiously if exigent circumstances exist in the case.

The court shall not modify a prior decree allocating parental rights and responsibilities unless the court determines that there has been a change in circumstances of the child, the child's residential parent, or either of the parents subject to a shared parenting decree, and that modification is necessary to serve the best interest of the child. The court may consider active military service in the uniformed services in determining whether a change in circumstances exists under this section and shall make specific written findings of fact to support any modification under this division.

Upon application by either parent, the court may modify a prior decree allocating parental rights and responsibilities after the parent's active military service has been terminated, hearing testimony and making specific

written findings of fact to support the modification.

Nothing in this division shall prevent a court from issuing a temporary order allocating or modifying parental rights and responsibilities for the duration of the parent's active military service.

(J) As used in this section:

(1) "Abused child" has the same meaning as in section 2151.031 of the Revised Code, ~~and "neglected.~~

(2) "Active military service" means the performance of active military duty by a member of the uniformed services for a period of more than thirty days.

(3) "Neglected child" has the same meaning as in section 2151.03 of the Revised Code.

~~(2)~~(4) "Sexually oriented offense" has the same meaning as in section 2950.01 of the Revised Code.

(5) "Uniformed services" means the United States armed forces, army national guard and air national guard when engaged in active duty for training, or the commissioned corps of the United States public health service.

~~(J)~~(K) As used in the Revised Code, "shared parenting" means that the parents share, in the manner set forth in the plan for shared parenting that is approved by the court under division (D)(1) and described in division ~~(K)~~(L)(6) of this section, all or some of the aspects of physical and legal care of their children.

~~(K)~~(L) For purposes of the Revised Code:

(1) A parent who is granted the care, custody, and control of a child under an order that was issued pursuant to this section prior to April 11, 1991, and that does not provide for shared parenting has "custody of the child" and "care, custody, and control of the child" under the order, and is the "residential parent," the "residential parent and legal custodian," or the "custodial parent" of the child under the order.

(2) A parent who primarily is allocated the parental rights and responsibilities for the care of a child and who is designated as the residential parent and legal custodian of the child under an order that is issued pursuant to this section on or after April 11, 1991, and that does not provide for shared parenting has "custody of the child" and "care, custody, and control of the child" under the order, and is the "residential parent," the "residential parent and legal custodian," or the "custodial parent" of the child under the order.

(3) A parent who is not granted custody of a child under an order that was issued pursuant to this section prior to April 11, 1991, and that does not

provide for shared parenting is the "parent who is not the residential parent," the "parent who is not the residential parent and legal custodian," or the "noncustodial parent" of the child under the order.

(4) A parent who is not primarily allocated the parental rights and responsibilities for the care of a child and who is not designated as the residential parent and legal custodian of the child under an order that is issued pursuant to this section on or after April 11, 1991, and that does not provide for shared parenting is the "parent who is not the residential parent," the "parent who is not the residential parent and legal custodian," or the "noncustodial parent" of the child under the order.

(5) Unless the context clearly requires otherwise, if an order is issued by a court pursuant to this section and the order provides for shared parenting of a child, both parents have "custody of the child" or "care, custody, and control of the child" under the order, to the extent and in the manner specified in the order.

(6) Unless the context clearly requires otherwise and except as otherwise provided in the order, if an order is issued by a court pursuant to this section and the order provides for shared parenting of a child, each parent, regardless of where the child is physically located or with whom the child is residing at a particular point in time, as specified in the order, is the "residential parent," the "residential parent and legal custodian," or the "custodial parent" of the child.

(7) Unless the context clearly requires otherwise and except as otherwise provided in the order, a designation in the order of a parent as the residential parent for the purpose of determining the school the child attends, as the custodial parent for purposes of claiming the child as a dependent pursuant to section 152(e) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, or as the residential parent for purposes of receiving public assistance pursuant to division (A)(2) of this section, does not affect the designation pursuant to division ~~(K)(L)~~(6) of this section of each parent as the "residential parent," the "residential parent and legal custodian," or the "custodial parent" of the child.

~~(L)~~(M) The court shall require each parent of a child to file an affidavit attesting as to whether the parent, and the members of the parent's household, have been convicted of or pleaded guilty to any of the offenses identified in divisions (C) and (F)(1)(h) of this section.

Sec. 3109.041. (A) Parties to any custody decree issued pursuant to section 3109.04 of the Revised Code prior to ~~the effective date of this amendment~~ April 11, 1991, may file a motion with the court that issued the

decree requesting the issuance of a shared parenting decree in accordance with division (G) of section 3109.04 of the Revised Code. Upon the filing of the motion, the court shall determine whether to grant the parents shared rights and responsibilities for the care of the children in accordance with divisions (A), (D)(1), ~~and (E)(1), and (I)~~ of section 3109.04 of the Revised Code.

(B) A custody decree issued pursuant to section 3109.04 of the Revised Code prior to ~~the effective date of this amendment~~ April 11, 1991, that granted joint care, custody, and control of the children to the parents shall not be affected or invalidated by, and shall not be construed as being affected or invalidated by, the provisions of section 3109.04 of the Revised Code relative to the granting of a shared parenting decree or a decree allocating parental rights and responsibilities for the care of children on and after ~~the effective date of this amendment~~ April 11, 1991. The decree issued prior to ~~the effective date of this amendment~~ April 11, 1991 shall remain in full force and effect, subject to modification or termination pursuant to section 3109.04 of the Revised Code as that section exists on and after ~~the effective date of this amendment~~ April 11, 1991.

(C) As used in this section, "joint custody" and "joint care, custody, and control" have the same meaning as "shared parenting."

Sec. 3119.022. When a court or child support enforcement agency calculates the amount of child support to be paid pursuant to a child support order in a proceeding in which one parent is the residential parent and legal custodian of all of the children who are the subject of the child support order or in which the court issues a shared parenting order, the court or agency shall use a worksheet identical in content and form to the following:

CHILD SUPPORT COMPUTATION WORKSHEET

SOLE RESIDENTIAL PARENT OR SHARED PARENTING ORDER

Name of parties

Case No.

Number of minor children

The following parent was designated as residential parent and legal custodian: mother father shared

	Column I	Column II	Column III
	Father	Mother	Combined

INCOME:

1.a. Annual gross income from employment or, when determined appropriate

by the court or agency,
average annual gross income
from employment over a
reasonable period of years.
(Exclude overtime, bonuses,
self-employment income, or
commissions).....

\$..... \$.....

b. Amount of overtime,
bonuses, and commissions
(year 1 representing the
most recent year)

Father

Mother

Yr. 3 \$.....

Yr. 3 \$.....

(Three years ago)

(Three years ago)

Yr. 2 \$.....

Yr. 2 \$.....

(Two years ago)

(Two years ago)

Yr. 1 \$.....

Yr. 1 \$.....

(Last calendar year)

(Last calendar year)

Average \$.....

Average \$.....

(Include in Col. I and/or
Col. II the average of the
three years or the year 1
amount, whichever is less,
if there exists a reasonable
expectation that the total
earnings from overtime and/or
bonuses during the current
calendar year will meet or
exceed the amount that is
the lower of the average
of the three years or the
year 1 amount. If, however,
there exists a reasonable
expectation that the total
earnings from overtime/
bonuses during the current
calendar year will be less
than the lower of the average
of the 3 years or the year 1
amount, include only the

amount reasonably expected to be earned this year.)...	\$.....	\$.....
2. For self-employment income:		
a. Gross receipts from business.....	\$.....	\$.....
b. Ordinary and necessary business expenses.....	\$.....	\$.....
c. 5.6% of adjusted gross income or the actual marginal difference between the actual rate paid by the self-employed individual and the F.I.C.A. rate	\$.....	\$.....
d. Adjusted gross income from self-employment (subtract the sum of 2b and 2c from 2a).....	\$.....	\$.....
3. Annual income from interest and dividends (whether or not taxable).....	\$.....	\$.....
4. Annual income from unemployment compensation...	\$.....	\$.....
5. Annual income from workers' compensation, disability insurance benefits, or social security disability/retirement benefits.....	\$.....	\$.....
6. Other annual income (identify).....	\$.....	\$.....
7.a. Total annual gross income (add lines 1a, 1b, 2d, and 3-6).....	\$.....	\$.....
b. <u>Health insurance maximum (multiply line 7a by 5%)</u>	<u>\$.....</u>	<u>\$.....</u>
ADJUSTMENTS TO INCOME:		
8. Adjustment for minor children born to or adopted by either parent and another parent who		

	are living with this parent; adjustment does not apply to stepchildren (number of children times federal income tax exemption less child support received, not to exceed the federal tax exemption).....	\$.....	\$.....
9.	Annual court-ordered support paid for other children....	\$.....	\$.....
10.	Annual court-ordered spousal support paid to any spouse or former spouse.....	\$.....	\$.....
11.	Amount of local income taxes actually paid or estimated to be paid.....	\$.....	\$.....
12.	Mandatory work-related deductions such as union dues, uniform fees, etc. (not including taxes, social security, or retirement)...	\$.....	\$.....
13.	Total gross income adjustments (add lines 8 through 12).....	\$.....	\$.....
14.			
<u>a.</u>	Adjusted annual gross income (subtract line 13 from line 7a).....	\$.....	\$.....
<u>b.</u>	<u>Cash medical support maximum (If the amount on line 7a, Col. I, is under 150% of the federal poverty level for an individual, enter \$0 on line 14b, Col. I. If the amount on line 7a, Col. I, is 150% or higher of the federal poverty level for an individual, multiply the</u>		

amount on line 14a, Col. I,
by 5% and enter this amount
on line 14b, Col. I.

If the amount on line 7a,
Col. II, is under 150%
of the federal poverty level
for an individual, enter
\$0 on line 14b, Col. II.

If the amount on line 7a,
Col. II, is 150% or higher
of the federal poverty level
for an individual, multiply
the amount on line 14a,
Col. II, by 5% and enter
this amount on line 14b,
Col. II.).....

\$.....

\$.....

15. Combined annual income that
is basis for child support
order (add line ~~14~~ 14a, Col.
I and Col. II)

\$.....

16. Percentage of parent's
income to total income

a. Father (divide line ~~14~~ 14a,
Col. I, by line 15, Col.
III).....%

b. Mother (divide line ~~14~~ 14a,
Col. II, by line 15, Col.
III).....%

17. Basic combined child
support obligation (refer
to schedule, first column,
locate the amount nearest
to the amount on line 15,
Col. III, then refer to
column for number of
children in this family.
If the income of the
parents is more than one
sum but less than another,
you may calculate the

- difference.)..... \$.....
18. Annual support obligation per parent
- a. Father (multiply line 17,
Col. III, by line 16a)..... \$.....
- b. Mother (multiply line 17,
Col. III, by line 16b)..... \$.....
19. Annual child care expenses
for children who are the
subject of this order that
are work-, employment
training-, or education-
related, as approved by
the court or agency
(deduct tax credit from
annual cost, whether or
not claimed)..... \$..... \$.....
- 20.
- a. Marginal, out-of-pocket
costs, necessary to provide
for health insurance for
the children who are the
subject of this order
(contributing cost of private
family health insurance,
minus the contributing cost
of private single health
insurance, divided by the
total number of dependents
covered by the plan,
including the children
subject of the support
order, times the number of
children subject of the
support order) \$..... \$.....
- b. Cash medical support
obligation (enter the amount
on line 14b or the amount
of annual health care
expenditures estimated by
the United States Department

of Agriculture and
described in section 3119.30
of the Revised Code,
whichever amount is
lower) \$..... \$.....

21. ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH INSURANCE IS PROVIDED:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Father (only if obligor or shared parenting)</p> <p>a. Additions: line 16a times sum of amounts shown on line 19, Col. II and line 20 <u>20a</u>, Col. II
\$.....</p> <p>c. Subtractions: line 16b times sum of amounts shown on line 19, Col. I and line 20 <u>20a</u>, Col. I
\$.....</p> | <p>Mother (only if obligor or shared parenting)</p> <p>b. Additions: line 16b times sum of amounts shown on line 19, Col. I and line 20 <u>20a</u>, Col. I
\$.....</p> <p>d. Subtractions: line 16a times sum of amounts shown on line 19, Col. II and line 20 <u>20a</u>, Col. II
\$.....</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

22. OBLIGATION AFTER ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH INSURANCE IS PROVIDED:

- a. Father: line 18a plus or minus the difference between line 21a minus line 21c
..... \$.....
- b. Mother: line 18b plus or minus the difference between line 21b minus line 21d
..... \$.....

23. ACTUAL ANNUAL OBLIGATION WHEN HEALTH INSURANCE IS PROVIDED:

- a. (Line 22a or 22b, whichever line corresponds to the parent who is the obligor). \$.....
- b. Any non-means-tested benefits, including social security and veterans' benefits, paid to and

- received by a child or a person on behalf of the child due to death, disability, or retirement of the parent..... \$.....
- c. Actual annual obligation (subtract line 23b from line 23a)..... \$.....

24. ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH INSURANCE IS NOT PROVIDED:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Father (only if obligor or shared parenting)</u></p> <p>a. <u>Additions: line 16a times the sum of the amounts shown on line 19, Col. II and line 20b, Col. II</u>
\$.....</p> <p>c. <u>Subtractions: line 16b times the sum of the amounts shown on line 19, Col. I and line 20b, Col. I</u>
\$.....</p> | <p><u>Mother (only if obligor or shared parenting)</u></p> <p>b. <u>Additions: line 16b times the sum of the amounts shown on line 19, Col. I and line 20b, Col. I</u>
\$.....</p> <p>d. <u>Subtractions: line 16a times the sum of the amounts shown on line 19, Col. II and line 20b, Col. II</u>
\$.....</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. OBLIGATION AFTER ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH INSURANCE IS NOT PROVIDED:

- a. Father: line 18a plus or minus the difference between line 24a minus line 24c
..... \$.....
- b. Mother: line 18b plus or minus the difference between line 24b and 24d
..... \$.....

26. ACTUAL ANNUAL OBLIGATION WHEN HEALTH INSURANCE IS NOT PROVIDED:

- a. (Line 25a or 25b, whichever

line corresponds to the parent who is the obligor) \$.....

b. Any non-means-tested benefits, including social security and veterans' benefits, paid to and received by a child or a person on behalf of the child due to death, disability, or retirement of the parent \$.....

c. Actual annual obligation (subtract line 26b from line 26a \$.....

27.a. Deviation from sole residential parent support amount shown on line 23c if amount would be unjust or inappropriate: (see section 3119.23 of the Revised Code.) (Specific facts and monetary value must be stated.)

.....
.....
.....
.....

b. Deviation from shared parenting order: (see sections 3119.23 and 3119.24 of the Revised Code.) (Specific facts including amount of time children spend with each parent, ability of each parent to maintain adequate housing for children, and each parent's expenses for children must be stated to justify deviation.)

.....
.....
.....
.....

WHEN WHEN
HEALTH HEALTH
INSURANCE INSURANCE
IS IS NOT
PROVIDED PROVIDED

25 FINAL CHILD SUPPORT

28. FIGURE: (This amount

reflects final annual child support obligation; in Col. I, enter line 23c plus or minus any amounts indicated in line 24a 27a or 24b 27b; in Col. II, enter line 26c plus or minus any amounts indicated in line 27a or 27b)

..... \$..... \$..... Father/Mother, OBLIGOR

26 FOR DECREE: Child support
29. per month (divide obligor's annual share, line 25 28, by 12) plus any processing charge

..... \$..... \$.....

30. FINAL CASH MEDICAL SUPPORT FIGURE: (this amount reflects the final annual cash medical support to be paid by the obligor when neither parent provides health insurance coverage for the child; enter obligor's cash medical support amount from line 20b

\$.....

31. FOR DECREE: Cash medical support per month (divide line 30 by 12)

\$.....

Prepared by:

Counsel:
(For mother/father)

Pro se:

CSEA:

Other:

Worksheet Has Been Reviewed and Agreed To:

.....
Mother

.....
Date

.....
Father

.....
Date

Sec. 3119.023. When a court or child support enforcement agency calculates the amount of child support to be paid pursuant to a court child

support order in a proceeding in which the parents have split parental rights and responsibilities with respect to the children who are the subject of the child support order, the court or child support enforcement agency shall use a worksheet that is identical in content and form to the following:

CHILD SUPPORT COMPUTATION WORKSHEET
SPLIT PARENTAL RIGHTS AND RESPONSIBILITIES

Name of parties

Case No.

Number of minor children

Number of minor children with mother father

	Column I	Column II	Column III
	Father	Mother	Combined

INCOME:

1.a. Annual gross income from employment or, when determined appropriate by the court or agency, average annual gross income from employment over a reasonable period of years. (Exclude overtime, bonuses, self-employment income, or commissions).....

\$..... \$.....

b. Amount of overtime, bonuses, and commissions (year 1 representing the most recent year)

Father	Mother
Yr. 3 \$.....	Yr. 3 \$.....
(Three years ago)	(Three years ago)
Yr. 2 \$.....	Yr. 2 \$.....
(Two years ago)	(Two years ago)
Yr. 1 \$.....	Yr. 1 \$.....
(Last calendar year)	(Last calendar year)
Average \$.....	\$.....

(Include in Col. I and/or Col. II the average of the three years or the year 1 amount, whichever is less,

if there exists a reasonable expectation that the total earnings from overtime and/or bonuses during the current calendar year will meet or exceed the amount that is the lower of the average of the three years or the year 1 amount. If, however, there exists a reasonable expectation that the total earnings from overtime/ bonuses during the current calendar year will be less than the lower of the average of the 3 years or the year 1 amount, include only the amount reasonably expected to be earned this year.)...

	\$.....	\$.....
2. For self-employment income		
a. Gross receipts from business.....	\$.....	\$.....
b. Ordinary and necessary business expenses.....	\$.....	\$.....
c. 5.6% of adjusted gross income or the actual marginal difference between the actual rate paid by the self-employed individual and the F.I.C.A. rate	\$.....	\$.....
d. Adjusted gross income from self-employment (subtract the sum of 2b and 2c from 2a).....	\$.....	\$.....
3. Annual income from interest and dividends (whether or not taxable).....	\$.....	\$.....
4. Annual income from unemployment compensation...	\$.....	\$.....

5.	Annual income from workers' compensation, disability insurance benefits or social security disability retirement benefits.....	\$.....	\$.....
6.	Other annual income (identify).....	\$.....	\$.....
7.a.	Total annual gross income (add lines 1a, 1b, 2d, and 3-6).....	\$.....	\$.....
b.	<u>Health insurance maximum (multiply line 7a by 5%)</u>	<u>\$.....</u>	<u>\$.....</u>
ADJUSTMENTS TO INCOME:			
8.	Adjustment for minor children born to or adopted by either parent and another parent who are living with this parent; adjustment does not apply to stepchildren (number of children times federal income tax exemption less child support received, not to exceed the federal tax exemption).....	\$.....	\$.....
9.	Annual court-ordered support paid for other children....	\$.....	\$.....
10.	Annual court-ordered spousal support paid to any spouse or former spouse.....	\$.....	\$.....
11.	Amount of local income taxes actually paid or estimated to be paid.....	\$.....	\$.....
12.	Mandatory work-related deductions such as union dues, uniform fees, etc. (not including taxes, social security, or retirement)...	\$.....	\$.....
13.	Total gross income		

- | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| | adjustments (add lines 8 through 12)..... | \$..... | \$..... |
| 14. | | | |
| a. | Adjusted annual gross income (subtract line 13 from 7a)..... | \$..... | \$..... |
| b. | <u>Cash medical support maximum (If the amount on line 7a, Col. I, is under 150% of the federal poverty level for an individual, enter \$0 on line 14b., Col. I. If the amount on line 7a, Col. I, is 150% or higher of the federal poverty level for an individual, multiply the amount on line 14a, Col. I, by 5% and enter this amount on line 14b, Col. I. If the amount on line 7a, Col. II, is under 150% of the federal poverty level for an individual, enter \$0 on line 14b, Col. II. If the amount on line 7a, Col. II, is 150% or higher of the federal poverty level for an individual, multiply the amount on line 14a, Col. II, by 5% and enter this amount on line 14b, Col. II.)</u>
..... | \$..... | \$..... |
| 15. | Combined annual income that is basis for child support order (add line 14 14a, Col. I and Col. II)..... | | \$..... |
| 16. | Percentage of parent's income to total income | | |
| a. | Father (divide line 14 14a, Col. I, by line 15, Col. | | |

- III).....%
- b. Mother (divide line ~~14~~ 14a, Col. II, by line 15, Col. III).....%

17. Basic combined child support obligation (refer to schedule, first column, locate the amount nearest to the amount on line 15, Col. III, then refer to column for number of children with this parent. If the income of the parents is more than one sum but less than another, you may calculate the difference).....

For children for whom the mother is the residential parent and legal custodian \$.....	For children for whom the father is the residential parent and legal custodian \$.....
----------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------

18. Annual support obligation per parent

a. Of father for children for whom mother is the residential parent and legal custodian (multiply line 17, Col. I, by line 16a)..... \$.....

b. Of mother for children for whom the father is the residential parent and legal custodian (multiply line 17, Col. II, by line 16b)..... \$.....

19. Annual child care expenses for children who are the subject of this order that

are work-, employment training-, or education-related, as approved by the court or agency (deduct tax credit from annual cost whether or not claimed).....

Paid by father \$..... Paid by mother \$.....

20.

a. Marginal, out-of-pocket costs, necessary to provide for health insurance for the children who are the subject of this order (contributing cost of private family health insurance, minus the contributing cost of private single health insurance, divided by the total number of dependents covered by the plan, including the children subject of the support order, times the number of children subject of the support order)

Paid by father \$..... Paid by mother \$.....

b. Cash medical support obligation (enter the amount on line 14b or the amount of annual health care expenditures estimated by the United States Department of Agriculture and described in section 3119.30 of the Revised Code, whichever amount is lower).....

\$..... \$.....

21. ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH

INSURANCE IS PROVIDED:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Father</p> <p>a. Additions: line 16a
times sum of amounts
shown on line 19, Col. II
and line 20 <u>20a</u>, Col. II
\$.....</p> <p>c. Subtractions: line 16b
times sum of amounts
shown on line 19, Col. I
and line 20 <u>20a</u>, Col. I
\$.....</p> | <p>Mother</p> <p>b. Additions: line 16b
times sum of amounts
shown on line 19, Col. I
and line 20 <u>20a</u>, Col. I
\$.....</p> <p>d. Subtractions: line 16a
times sum of amounts
shown on line 19, Col. II
and line 20 <u>20a</u>, Col. II
\$.....</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

22. ACTUAL ANNUAL OBLIGATION WHEN HEALTH INSURANCE IS PROVIDED:

- a. Father: line 18a plus line 21a minus line 21c (if the amount on line 21c is greater than or equal to the amount on line 21a-- enter the number on line 18a in Col. I)..... \$.....
- b. Any non-means-tested benefits, including social security and veterans' benefits, paid to and received by children for whom the mother is the residential parent and legal custodian or a person on behalf of those children due to death, disability, or retirement of the father..... \$.....
- c. Actual annual obligation of father (subtract line 22b from line 22a)..... \$.....
- d. Mother: line 18b plus line 21b minus line 21d (if the amount on line 21d is

- greater than or equal to the amount on line 21b--enter the number on line 18b in Col. II)..... \$.....
 - e. Any non-means-tested benefits, including social security and veterans' benefits, paid to and received by children for whom the father is the residential parent and legal custodian or a person on behalf of those children due to death, disability, or retirement of the mother..... \$.....
 - f. Actual annual obligation of mother (subtract line 22e from line 22d)..... \$.....
 - g. Actual annual obligation payable (subtract lesser actual annual obligation from greater actual annual obligation using amounts in lines 22c and 22f to determine net child support payable)..... \$..... \$.....
23. ADJUSTMENTS TO CHILD SUPPORT WHEN HEALTH INSURANCE IS NOT PROVIDED:
- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Father</u></p> <p>a. <u>Additions: line 16a times the sum of the amounts shown on line 19, Col. II and line 20b, Col. II</u>
\$.....</p> <p>c. <u>Subtractions: line 16b times the sum of the amounts shown on line 19, Col. I and line 20b, Col. I</u>
\$.....</p> | <p><u>Mother</u></p> <p>b. <u>Additions: line 16b times the sum of the amounts shown on line 19, Col. I and line 20b, Col. I</u>
\$.....</p> <p>d. <u>Subtractions: line 16a times the sum of the amounts shown on line 19, Col. II and line 20b, Col. II</u>
\$.....</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

24. ACTUAL ANNUAL OBLIGATION WHEN HEALTH INSURANCE IS NOT PROVIDED:

- a. Father: line 18a plus line 23a minus line 23c (if the amount on line 23c is greater than or equal to the amount on line 23a, enter the number on line 18a in Col. I) \$.....
- b. Any non-means-tested benefits, including social security and veterans' benefits, paid to and received by a child for whom the mother is the residential parent and legal custodian, or a person on behalf of the child, due to death, disability, or retirement of the father \$.....
- c. Actual annual obligation of the father (subtract line 24b from line 24a) \$.....
- d. Mother: line 18b plus line 23b minus 23d (if the amount on line 23d is greater than or equal to the amount on line 23b, enter the number on line 18b in Col. II)
..... \$.....
- e. Any non-means-tested benefits, including social security and veterans' benefits, paid to and received by a child for whom the father is the residential parent and legal custodian, or a person on behalf of the child, due to death, disability, or retirement of the mother

	\$.....
f.	<u>Actual annual obligation of the mother (subtract line 24e from line 24d)</u>	\$.....
g.	<u>Actual annual obligation payable (subtract lesser actual annual obligation from greater annual obligation of parents using amounts in lines 24c and 24f to determine net child support payable)</u>	
	\$.....
h.	<u>Add line 20b, Col. I, to line 24g, Col. I, when father is the obligor or line 20b, Col. II, to line 24g, Col. II, when mother is obligor</u>	\$.....
	\$.....

25. Deviation from split residential parent guideline amount shown on line 22c ~~or 22f, 22f, 24c, or 24f~~ if amount would be unjust or inappropriate: (see section 3119.23 of the Revised Code.) (Specific facts and monetary value must be stated.)

.....

WHEN WHEN
HEALTH HEALTH
INSURANCE INSURANCE
IS IS NOT
PROVIDED PROVIDED

24 FINAL CHILD SUPPORT

26. FIGURE: (This amount reflects final annual child support obligation; in Col. I enter line 22g plus or minus any amounts indicated in line 23 25, or in Col. II enter line 24h plus or minus any

amounts indicated on line 25.)

..... \$..... \$..... Father/Mother,
OBLIGOR

25 FOR DECREE: Child support
27. per month (divide obligor's
annual share, line 24 26, by
12) plus any processing
charge

..... \$..... \$.....

28. FINAL CASH MEDICAL
SUPPORT FIGURE: (this
amount reflects the final,
annual cash medical support
to be paid by the obligor
when neither parent provides
health insurance coverage for
the child; enter obligor's cash
medical support from line
20b)

..... \$.....

29. FOR DECREE: Cash medical
support per month (divide line
28 by 12)

..... \$.....

Prepared by:

Counsel:
(For mother/father)

Pro se:

CSEA:

Other:

Worksheet Has Been Reviewed and Agreed To:

.....
Mother

.....
Date

.....
Father

.....
Date

Sec. 3119.05. When a court computes the amount of child support required to be paid under a court child support order or a child support enforcement agency computes the amount of child support to be paid pursuant to an administrative child support order, all of the following apply:

(A) The parents' current and past income and personal earnings shall be verified by electronic means or with suitable documents, including, but not limited to, paystubs, employer statements, receipts and expense vouchers

related to self-generated income, tax returns, and all supporting documentation and schedules for the tax returns.

(B) The amount of any pre-existing child support obligation of a parent under a child support order and the amount of any court-ordered spousal support actually paid shall be deducted from the gross income of that parent to the extent that payment under the child support order or that payment of the court-ordered spousal support is verified by supporting documentation.

(C) If other minor children who were born to the parent and a person other than the other parent who is involved in the immediate child support determination live with the parent, the court or agency shall deduct an amount from that parent's gross income that equals the number of such minor children times the federal income tax exemption for such children less child support received for them for the year, not exceeding the federal income tax exemption.

(D) When the court or agency calculates the gross income of a parent, it shall include the lesser of the following as income from overtime and bonuses:

(1) The yearly average of all overtime, commissions, and bonuses received during the three years immediately prior to the time when the person's child support obligation is being computed;

(2) The total overtime, commissions, and bonuses received during the year immediately prior to the time when the person's child support obligation is being computed.

(E) When the court or agency calculates the gross income of a parent, it shall not include any income earned by the spouse of that parent.

~~(F) The court shall not order an amount of child support for reasonable and ordinary uninsured medical or dental expenses in addition to the amount of the child support obligation determined in accordance with the schedule.~~ The court shall issue a separate order for extraordinary medical or dental expenses, including, but not limited to, orthodontia, psychological, appropriate private education, and other expenses, and may consider the expenses in adjusting a child support order.

(G) When a court or agency calculates the amount of child support to be paid pursuant to a court child support order or an administrative child support order, if the combined gross income of both parents is an amount that is between two amounts set forth in the first column of the schedule, the court or agency may use the basic child support obligation that corresponds to the higher of the two amounts in the first column of the schedule, use the basic child support obligation that corresponds to the lower of the two amounts in the first column of the schedule, or calculate a basic child

support obligation that is between those two amounts and corresponds proportionally to the parents' actual combined gross income.

(H) When the court or agency calculates gross income, the court or agency, when appropriate, may average income over a reasonable period of years.

(I) A court or agency shall not determine a parent receiving means-tested public assistance benefits to be voluntarily unemployed or underemployed and shall not impute income to that parent, unless not making such determination and not imputing income would be unjust, inappropriate, and not in the best interest of the child.

(J) When a court or agency requires a parent to pay an amount for that parent's failure to support a child for a period of time prior to the date the court modifies or issues a court child support order or an agency modifies or issues an administrative child support order for the current support of the child, the court or agency shall calculate that amount using the basic child support schedule, worksheets, and child support laws in effect, and the incomes of the parents as they existed, for that prior period of time.

Sec. 3119.27. (A) A court that issues or modifies a court support order, or an administrative agency that issues or modifies an administrative child support order, shall impose on the obligor under the support order a processing charge that is the greater of two per cent of the support payment to be collected under a support order or one dollar per month. No court or agency may call the charge a poundage fee.

(B) In each child support case that is a Title IV-D case, the department of job and family services shall annually claim twenty-five dollars from the processing charge described in division (A) of this section for federal reporting purposes if the obligee has never received assistance under Title IV-A and the department has collected at least five hundred dollars of child support for the obligee. The director of job and family services shall adopt rules under Chapter 119. of the Revised Code to implement this division, and the department shall implement this division not later than March 31, 2008.

(C) As used in this section:

(1) "Annual" means the period as defined in regulations issued by the United States secretary of health and human services to implement the Deficit Reduction Act of 2005 (P.L. 109-171).

(2) "Title IV-A" has the same meaning as in section 5107.02 of the Revised Code.

(3) "Title IV-D case" has the same meaning as in section 3125.01 of the Revised Code.

Sec. 3119.29. (A) As used in this section and sections 3119.30 to 3119.56 of the Revised Code:

~~(A)~~(1) "Cash medical support" means an amount ordered to be paid in a child support order toward the cost of health insurance provided by a public entity, another parent, or person with whom the child resides, through employment or otherwise, or for other medical cost not covered by insurance.

(2) "Federal poverty line" has the same meaning as defined in section 5104.01 of the Revised Code.

(3) "Health care" means such medical support that includes coverage under a health insurance plan, payment of costs of premiums, co-payments, and deductibles, or payment for medical expenses incurred on behalf of the child.

(4) "Health insurance coverage" means accessible private health insurance that provides primary care services within thirty miles from the residence of the child subject to the child support order.

(5) "Health plan administrator" means any entity authorized under Title XXXIX of the Revised Code to engage in the business of insurance in this state, any health insuring corporation, any legal entity that is self-insured and provides benefits to its employees or members, and the administrator of any such entity or corporation.

~~(B)~~(6) "National medical support notice" means a form required by the "Child Support Performance and Incentive Act of 1998," P.L. 105-200, 112 Stat. 659, 42 U.S.C. 666(a)(19), as amended, and jointly developed and promulgated by the secretary of health and human services and the secretary of labor in federal regulations adopted under that act as modified by the department of job and family services under section 3119.291 of the Revised Code.

~~(C)~~(7) "Person required to provide health insurance coverage" means the obligor, obligee, or both, required by the court under a court child support order or by the child support enforcement agency under an administrative child support order to provide health insurance coverage pursuant to section 3119.30 of the Revised Code.

(8) Subject to division (B) of this section, "reasonable cost" means the contributing cost of private family health insurance to the person responsible for the health care of the children subject to the child support order that does not exceed an amount equal to five per cent of the annual gross income of that person.

(9) "Title XIX" has the same meaning as defined in section 5111.20 of the Revised Code.

(B) If the United States secretary of health and human services issues a regulation defining "reasonable cost" or a similar term or phrase relevant to the provisions in child support orders relating to the provision of health care for children subject to the orders, and if that definition is substantively different from the meaning of "reasonable cost" as defined in division (A) of this section, "reasonable cost" as used in this section shall have the meaning as defined by the United States secretary of health and human services.

Sec. 3119.30. (A) In any action or proceeding in which a child support order is issued or modified, the court, with respect to court child support orders, and the child support enforcement agency, with respect to administrative child support orders, shall determine the person or persons responsible for the health care of the children subject to the child support order and shall include provisions for the health care of the children in the child support order. The order shall specify that the obligor and obligee are both liable for the health care of the children who are not covered by private health insurance or cash medical support as calculated in accordance with section 3119.022 or 3119.023 of the Revised Code, as applicable. The determination shall be based

(B) Based on information provided to the court or to the child support enforcement agency under section 3119.31 of the Revised Code. The, the order shall include one of the following:

~~(A) A requirement that the obligor under the child support order obtain health insurance coverage for the children if coverage is available at a reasonable cost through a group policy, contract, or plan offered by the obligor's employer or through any other group policy, contract, or plan available to the obligor and is not available for a more reasonable cost through a group policy, contract, or plan available to the obligee;~~

(B)(1) A requirement that both the obligor and the obligee obtain private health insurance coverage for the children if coverage is available for the children at a reasonable cost to both the obligor and the obligee and dual coverage would provide for coordination of medical benefits without unnecessary duplication of coverage.

(2) A requirement that the obligee obtain private health insurance coverage for the children if coverage is available through a group policy, contract, or plan offered by the obligee's employer or through any other group policy, contract, or plan available to the obligee and is available at a more reasonable cost than coverage is available to the obligor;

~~(C)(3) A requirement that the obligor obtain private health insurance coverage for the children if coverage is available through any group policy, contract, or plan available to the obligor at a more reasonable cost than~~

coverage is available to the obligee:

~~(4) If health insurance coverage for the children is not available at a reasonable cost through a group policy, contract, or plan offered by the obligor's or obligee's employer or through any other group policy, contract, or plan available to the obligor or the obligee at the time the court or child enforcement agency issues the order, a requirement that the obligor and or the obligee share liability for the cost of the medical and health care needs of the children, under an equitable formula established by the court, with respect to a court child support order, or the child support enforcement agency, with respect to an administrative child support order, and a requirement that if, after the issuance of the order, health insurance coverage for the children becomes available at a reasonable cost through a group policy, contract, or plan offered by the obligor's or obligee's employer or through any other group policy, contract, or plan available to the obligor or obligee, the obligor or obligee to whom the coverage becomes available immediately inform the court, with respect to a court child support order, or the child support enforcement agency, with respect to an administrative child support order;~~

~~(D) A requirement that both the obligor and the obligee obtain health insurance coverage for the children if coverage is available for the children at a reasonable cost to both the obligor and the obligee and dual coverage would provide for coordination of medical benefits without unnecessary duplication of coverage immediately inform the child support enforcement agency that private health insurance coverage for the children has become available to either the obligor or obligee. The child support enforcement agency shall determine if the private health insurance coverage is available at a reasonable cost and if coverage is reasonable, division (B)(2) or (3) shall apply, as applicable.~~

~~(C) When a child support order is issued or modified, and the obligor's gross income is one hundred fifty per cent or more of the federal poverty level for an individual, the order shall include the amount of cash medical support to be paid by the obligor that is either five per cent of the obligor's adjusted gross income or the obligor's share of the United States department of agriculture estimated annual health care expenditure per child as determined in accordance with federal law and regulation, whichever is the lower amount. The amount of cash medical support paid by the obligor shall be paid during any period after the court or child support enforcement agency issues or modifies the order in which the children are not covered by private health insurance.~~

~~(D) Any cash medical support paid pursuant to division (C) of this~~

section shall be paid by the obligor to either the obligee if the children are not Medicaid recipients, or to the office of child support to defray the cost of Medicaid expenditures if the children are Medicaid recipients. The child support enforcement agency administering the court or administrative order shall amend the amount of monthly child support obligation to reflect the amount paid when private health insurance is not provided, as calculated in the current order pursuant to section 3119.022 or 3119.023 of the Revised Code, as applicable.

The child support enforcement agency shall give the obligor notice in accordance with Chapter 3121. of the Revised Code and provide the obligor an opportunity to be heard if the obligor believes there is a mistake of fact regarding the availability of private health insurance at a reasonable cost as determined under division (B) of this section.

(E) The obligor shall begin payment of any cash medical support on the first day of the month immediately following the month in which private health insurance coverage is unavailable or terminates and shall cease payment on the last day of the month immediately preceding the month in which private health insurance coverage begins or resumes. During the period when cash medical support is required to be paid, the obligor or obligee must immediately inform the child support enforcement agency that health insurance coverage for the children has become available.

Sec. 3119.302. (A) When the court, with respect to a court child support order, or the child support enforcement agency, with respect to an administrative child support order, determines the person or persons responsible for the health care of the children subject to the order pursuant to section 3119.30 of the Revised Code, all of the following apply:

(1) The court or agency shall consider any private health insurance in which the obligor, obligee, or children, are enrolled at the time the court or agency issues the order.

(2) If the contributing cost of private family health insurance to either parent exceeds five per cent of that parent's annual gross income, that parent shall not be ordered to provide private health insurance for the child except as follows:

(a) When both parents agree that one, or both, of the parents obtain or maintain the private health insurance that exceeds five per cent of the annual gross income of the parent obtaining or maintaining the private health insurance;

(b) When either parent requests to obtain or maintain the private health insurance that exceeds five per cent of that parent's annual gross income;

(c) When the court determines that it is in the best interest of the

children for a parent to obtain and maintain private health insurance that exceeds five per cent of that parent's annual gross income and the cost will not impose an undue financial burden on either parent. If the court makes such a determination, the court must include the facts and circumstances of the determination in the child support order.

(3) If private health insurance is available at a reasonable cost to either parent through a group policy, contract, or plan, and the court determines that it is not in the best interest of the children to utilize the available private health insurance, the court shall state the facts and circumstances of the determination in the child support order. The court determination under this division shall not limit any obligation to provide cash medical support pursuant to section 3119.30 of the Revised Code.

(4) Notwithstanding division (A)(4) of section 3119.29 of the Revised Code, the court or agency may allow private health insurance to be farther than thirty miles if residents in part or all of the immediate geographic area customarily travel farther distances or if primary care services are accessible only by public transportation. The court or agency shall include this accessibility determination in the child support order.

(B) The director of job and family services shall create and annually update a table to be used to determine the amount of cash medical support to be paid pursuant to division (C) of section 3119.30 of the Revised Code. The table shall incorporate potential combined gross incomes of the parties, in a manner determined by the director, and the United States department of agriculture estimated annual health care expenditure per child as determined in accordance with federal law and regulation.

Sec. 3119.32. A child support order shall contain all of the following:

(A) If the obligor, obligee, or both obligor and obligee, are required under section 3119.30 of the Revised Code to provide private health insurance coverage for the children, a requirement pursuant to section 3119.30 of the Revised Code that whoever is required to provide private health insurance coverage provide to the other, not later than thirty days after the issuance of the order, information regarding the benefits, limitations, and exclusions of the coverage, copies of any insurance forms necessary to receive reimbursement, payment, or other benefits under the coverage, and a copy of any necessary insurance cards;

(B) A statement setting forth the name, address, and telephone number of the individual who is to be reimbursed for out-of-pocket medical, optical, hospital, dental, or prescription expenses paid for each child and a statement that the health plan administrator that provides the private health insurance coverage for the children may continue making payment for medical,

optical, hospital, dental, or prescription services directly to any health care provider in accordance with the applicable private health insurance policy, contract, or plan;

(C) A requirement that a person required to provide private health insurance coverage for the children designate the children as covered dependents under any private health insurance policy, contract, or plan for which the person contracts;

(D) A requirement that the obligor, the obligee, or both of them under a formula established by the court, with respect to a court child support order, or the child support enforcement agency, with respect to an administrative child support order, pay co-payment or deductible costs required under the private health insurance policy, contract, or plan that covers the children;

(E) A notice that the employer of the person required to obtain private health insurance coverage is required to release to the other parent, any person subject to an order issued under section 3109.19 of the Revised Code, or the child support enforcement agency on written request any necessary information on the private health insurance coverage, including the name and address of the health plan administrator and any policy, contract, or plan number, and to otherwise comply with this section and any order or notice issued under this section;

(F) A statement setting forth the full name and date of birth of each child who is the subject of the child support order;

(G) A requirement that the obligor and the obligee comply with any requirement described in section 3119.30 of the Revised Code and divisions (A) and (C) of this section that is contained in an order issued in compliance with this section no later than thirty days after the issuance of the order;

(H) A notice that states the following: "If the person required to obtain private health care insurance coverage for the children subject to this child support order obtains new employment, the agency shall comply with the requirements of section 3119.34 of the Revised Code, which may result in the issuance of a notice requiring the new employer to take whatever action is necessary to enroll the children in private health care insurance coverage provided by the new employer."

(I) A statement that, upon receipt of notice by the child support enforcement agency that private health insurance coverage is not available at a reasonable cost, cash medical support shall be paid in the amount as determined by the child support computation worksheets in section 3119.022 or 3119.023 of the Revised Code, as applicable. The child support enforcement agency may change the financial obligations of the parties to pay child support in accordance with the terms of the court or administrative

order and cash medical support without a hearing or additional notice to the parties.

Sec. 3123.23. (A) The director of job and family services shall adopt rules under Chapter 119. of the Revised Code to implement a program to collect arrearages owed under child support orders from insurance claims, settlements, awards, and payments based on information obtained pursuant to Title IV-D of the Social Security Act, 42 U.S.C. 652.

(B) Any insurer and any director, agent, or employee authorized to act on behalf of an insurer, that releases information or makes a disclosure in accordance with rules adopted pursuant to this section shall be immune from liability in a civil action for harm resulting from the disclosure.

(C) As used in this section, "insurer" has the same meaning as in section 3901.32 of the Revised Code.

Sec. 3125.12. Each child support enforcement agency shall enter into a plan of cooperation with the board of county commissioners under section 307.983 of the Revised Code and comply with each ~~fiscal grant~~ agreement the board enters into under ~~section~~ sections 307.98 and 5101.21 and contracts the board enters into under sections 307.981 and 307.982 of the Revised Code that affect the agency.

Sec. 3301.011. As used in Title XXXIII of the Revised Code, "total student count" for any school district means the average number of students enrolled during the first full school week of October in a school district in grades kindergarten through twelve, including students with dual enrollment in a joint vocational or cooperative education district that week, and the total number of students enrolled in ~~preschool-handicapped~~ units for preschool children with disabilities on the first day of December in the district.

Sec. 3301.07. The state board of education shall exercise under the acts of the general assembly general supervision of the system of public education in the state. In addition to the powers otherwise imposed on the state board under the provisions of law, the board shall have the following powers:

(A) Exercise policy forming, planning, and evaluative functions for the public schools of the state, and for adult education, except as otherwise provided by law;

(B) Exercise leadership in the improvement of public education in this state, and administer the educational policies of this state relating to public schools, and relating to instruction and instructional material, building and equipment, transportation of pupils, administrative responsibilities of school officials and personnel, and finance and organization of school districts, educational service centers, and territory. Consultative and advisory services

in such matters shall be provided by the board to school districts and educational service centers of this state. The board also shall develop a standard of financial reporting which shall be used by all school districts and educational service centers to make their financial information available to the public in a format understandable by the average citizen and provide year-to-year comparisons for at least five years. The format shall show, among other things, district and educational service center revenue by source; expenditures for salaries, wages, and benefits of employees, showing such amounts separately for classroom teachers, other employees required to hold licenses issued pursuant to sections 3319.22 to 3319.31 of the Revised Code, and all other employees; expenditures other than for personnel, by category, including utilities, textbooks and other educational materials, equipment, permanent improvements, pupil transportation, extracurricular athletics, and other extracurricular activities; and per pupil expenditures.

(C) Administer and supervise the allocation and distribution of all state and federal funds for public school education under the provisions of law, and may prescribe such systems of accounting as are necessary and proper to this function. It may require county auditors and treasurers, boards of education, educational service center governing boards, treasurers of such boards, teachers, and other school officers and employees, or other public officers or employees, to file with it such reports as it may prescribe relating to such funds, or to the management and condition of such funds.

(D) Formulate and prescribe minimum standards to be applied to all elementary and secondary schools in this state for the purpose of requiring a general education of high quality. Such standards shall provide adequately for: the licensing of teachers, administrators, and other professional personnel and their assignment according to training and qualifications; efficient and effective instructional materials and equipment, including library facilities; the proper organization, administration, and supervision of each school, including regulations for preparing all necessary records and reports and the preparation of a statement of policies and objectives for each school; buildings, grounds, health and sanitary facilities and services; admission of pupils, and such requirements for their promotion from grade to grade as will assure that they are capable and prepared for the level of study to which they are certified; requirements for graduation; and such other factors as the board finds necessary.

In the formulation and administration of such standards for nonpublic schools the board shall also consider the particular needs, methods and objectives of those schools, provided they do not conflict with the provision

of a general education of a high quality and provided that regular procedures shall be followed for promotion from grade to grade of pupils who have met the educational requirements prescribed.

(E) May require as part of the health curriculum information developed under section 2108.15 of the Revised Code promoting the donation of anatomical gifts pursuant to Chapter 2108. of the Revised Code and may provide the information to high schools, educational service centers, and joint vocational school district boards of education;

(F) Prepare and submit annually to the governor and the general assembly a report on the status, needs, and major problems of the public schools of the state, with recommendations for necessary legislative action and a ten-year projection of the state's public and nonpublic school enrollment, by year and by grade level;

(G) Prepare and submit to the director of budget and management the biennial budgetary requests of the state board of education, for its agencies and for the public schools of the state;

(H) Cooperate with federal, state, and local agencies concerned with the health and welfare of children and youth of the state;

(I) Require such reports from school districts and educational service centers, school officers, and employees as are necessary and desirable. The superintendents and treasurers of school districts and educational service centers shall certify as to the accuracy of all reports required by law or state board or state department of education rules to be submitted by the district or educational service center and which contain information necessary for calculation of state funding. Any superintendent who knowingly falsifies such report shall be subject to license revocation pursuant to section 3319.31 of the Revised Code.

(J) In accordance with Chapter 119. of the Revised Code, adopt procedures, standards, and guidelines for the education of ~~handicapped~~ children with disabilities pursuant to Chapter 3323. of the Revised Code, including procedures, standards, and guidelines governing programs and services operated by county boards of mental retardation and developmental disabilities pursuant to section 3323.09 of the Revised Code;

(K) For the purpose of encouraging the development of special programs of education for academically gifted children, employ competent persons to analyze and publish data, promote research, advise and counsel with boards of education, and encourage the training of teachers in the special instruction of gifted children. The board may provide financial assistance out of any funds appropriated for this purpose to boards of education and educational service center governing boards for developing

and conducting programs of education for academically gifted children.

(L) Require that all public schools emphasize and encourage, within existing units of study, the teaching of energy and resource conservation as recommended to each district board of education by leading business persons involved in energy production and conservation, beginning in the primary grades;

(M) Formulate and prescribe minimum standards requiring the use of phonics as a technique in the teaching of reading in grades kindergarten through three. In addition, the state board shall provide in-service training programs for teachers on the use of phonics as a technique in the teaching of reading in grades kindergarten through three.

(N) Develop and modify as necessary a state plan for technology to encourage and promote the use of technological advancements in educational settings.

The board may adopt rules necessary for carrying out any function imposed on it by law, and may provide rules as are necessary for its government and the government of its employees, and may delegate to the superintendent of public instruction the management and administration of any function imposed on it by law. It may provide for the appointment of board members to serve on temporary committees established by the board for such purposes as are necessary. Permanent or standing committees shall not be created.

Sec. 3301.0711. (A) The department of education shall:

(1) Annually furnish to, grade, and score all tests required by section 3301.0710 of the Revised Code to be administered by city, local, exempted village, and joint vocational school districts, except that each district shall score any test administered pursuant to division (B)(10) of this section. Each test so furnished shall include the data verification code of the student to whom the test will be administered, as assigned pursuant to division (D)(2) of section 3301.0714 of the Revised Code. In furnishing the practice versions of Ohio graduation tests prescribed by division (F) of section 3301.0710 of the Revised Code, the department shall make the tests available on its web site for reproduction by districts. In awarding contracts for grading tests, the department shall give preference to Ohio-based entities employing Ohio residents.

(2) Adopt rules for the ethical use of tests and prescribing the manner in which the tests prescribed by section 3301.0710 of the Revised Code shall be administered to students.

(B) Except as provided in divisions (C) and (J) of this section, the board of education of each city, local, and exempted village school district shall, in

accordance with rules adopted under division (A) of this section:

(1) Administer the reading test prescribed under division (A)(1)(a) of section 3301.0710 of the Revised Code twice annually to all students in the third grade who have not attained the score designated for that test under division (A)(2)(c) of section 3301.0710 of the Revised Code.

(2) Administer the mathematics test prescribed under division (A)(1)(a) of section 3301.0710 of the Revised Code at least once annually to all students in the third grade.

(3) Administer the tests prescribed under division (A)(1)(b) of section 3301.0710 of the Revised Code at least once annually to all students in the fourth grade.

(4) Administer the tests prescribed under division (A)(1)(c) of section 3301.0710 of the Revised Code at least once annually to all students in the fifth grade.

(5) Administer the tests prescribed under division (A)(1)(d) of section 3301.0710 of the Revised Code at least once annually to all students in the sixth grade.

(6) Administer the tests prescribed under division (A)(1)(e) of section 3301.0710 of the Revised Code at least once annually to all students in the seventh grade.

(7) Administer the tests prescribed under division (A)(1)(f) of section 3301.0710 of the Revised Code at least once annually to all students in the eighth grade.

(8) Except as provided in division (B)(9) of this section, administer any test prescribed under division (B) of section 3301.0710 of the Revised Code as follows:

(a) At least once annually to all tenth grade students and at least twice annually to all students in eleventh or twelfth grade who have not yet attained the score on that test designated under that division;

(b) To any person who 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 but has not received a high school diploma and who requests to take such test, at any time such test is administered in the district.

(9) In lieu of the board of education of any city, local, or exempted village school district in which the student is also enrolled, the board of a joint vocational school district shall administer any test prescribed under division (B) of section 3301.0710 of the Revised Code at least twice annually to any student enrolled in the joint vocational school district who has not yet attained the score on that test designated under that division. A

board of a joint vocational school district may also administer such a test to any student described in division (B)(8)(b) of this section.

(10) If the district has been declared to be under an academic watch or in a state of academic emergency pursuant to section 3302.03 of the Revised Code or has a three-year average graduation rate of not more than seventy-five per cent, administer each test prescribed by division (F) of section 3301.0710 of the Revised Code in September to all ninth grade students, beginning in the school year that starts July 1, 2005.

(C)(1)(a) Any student receiving special education services under Chapter 3323. of the Revised Code may be excused from taking any particular test required to be administered under this section if the individualized education program developed for the student pursuant to section 3323.08 of the Revised Code excuses the student from taking that test and instead specifies an alternate assessment method approved by the department of education as conforming to requirements of federal law for receipt of federal funds for disadvantaged pupils. To the extent possible, the individualized education program shall not excuse the student from taking a test unless no reasonable accommodation can be made to enable the student to take the test.

(b) Any alternate assessment approved by the department for a student under this division shall produce measurable results comparable to those produced by the tests which the alternate assessments are replacing in order to allow for the student's assessment results to be included in the data compiled for a school district or building under section 3302.03 of the Revised Code.

(c) Any student enrolled in a chartered nonpublic school who has been identified, based on an evaluation conducted in accordance with section 3323.03 of the Revised Code or section 504 of the "Rehabilitation Act of 1973," 87 Stat. 355, 29 U.S.C.A. 794, as amended, as a child with a disability shall be excused from taking any particular test required to be administered under this section if a plan developed for the student pursuant to rules adopted by the state board excuses the student from taking that test. In the case of any student so excused from taking a test, the chartered nonpublic school shall not prohibit the student from taking the test.

(2) A district board may, for medical reasons or other good cause, excuse a student from taking a test administered under this section on the date scheduled, but any such test shall be administered to such excused student not later than nine days following the scheduled date. The board shall annually report the number of students who have not taken one or more of the tests required by this section to the state board of education not later

than the thirtieth day of June.

(3) As used in this division, "limited English proficient student" has the same meaning as in 20 U.S.C. 7801.

No school district board shall excuse any limited English proficient student from taking any particular test required to be administered under this section, except that any limited English proficient student who has been enrolled in United States schools for less than one full school year shall not be required to take any such reading or writing test. However, no board shall prohibit a limited English proficient student who is not required to take a test under this division from taking the test. A board may permit any limited English proficient student to take any test required to be administered under this section with appropriate accommodations, as determined by the department. For each limited English proficient student, each school district shall annually assess that student's progress in learning English, in accordance with procedures approved by the department.

The governing authority of a chartered nonpublic school may excuse a limited English proficient student from taking any test administered under this section. However, no governing authority shall prohibit a limited English proficient student from taking the test.

(D)(1) In the school year next succeeding the school year in which the tests prescribed by division (A)(1) or (B) of section 3301.0710 of the Revised Code or former division (A)(1), (A)(2), or (B) of section 3301.0710 of the Revised Code as it existed prior to September 11, 2001, are administered to any student, the board of education of any school district in which the student is enrolled in that year shall provide to the student intervention services commensurate with the student's test performance, including any intensive intervention required under section 3313.608 of the Revised Code, in any skill in which the student failed to demonstrate at least a score at the proficient level on the test.

(2) Following any administration of the tests prescribed by division (F) of section 3301.0710 of the Revised Code to ninth grade students, each school district that has a three-year average graduation rate of not more than seventy-five per cent shall determine for each high school in the district whether the school shall be required to provide intervention services to any students who took the tests. In determining which high schools shall provide intervention services based on the resources available, the district shall consider each school's graduation rate and scores on the practice tests. The district also shall consider the scores received by ninth grade students on the reading and mathematics tests prescribed under division (A)(1)(f) of section 3301.0710 of the Revised Code in the eighth grade in determining which

high schools shall provide intervention services.

Each high school selected to provide intervention services under this division shall provide intervention services to any student whose test results indicate that the student is failing to make satisfactory progress toward being able to attain scores at the proficient level on the Ohio graduation tests. Intervention services shall be provided in any skill in which a student demonstrates unsatisfactory progress and shall be commensurate with the student's test performance. Schools shall provide the intervention services prior to the end of the school year, during the summer following the ninth grade, in the next succeeding school year, or at any combination of those times.

(E) Except as provided in section 3313.608 of the Revised Code and division (M) of this section, no school district board of education shall utilize any student's failure to attain a specified score on any test administered under this section as a factor in any decision to deny the student promotion to a higher grade level. However, a district board may choose not to promote to the next grade level any student who does not take any test administered under this section or make up such test as provided by division (C)(2) of this section and who is not exempt from the requirement to take the test under division (C)(3) of this section.

(F) No person shall be charged a fee for taking any test administered under this section.

(G)(1) Each school district board shall ~~submit~~ designate one location for the collection of tests administered in the spring under division (B)(1) of this section and the tests administered under divisions (B)(2) to (7) of this section. Each district board shall submit the tests to the entity with which the department contracts for the scoring of the tests as follows:

(a) If the district's total enrollment in grades kindergarten through twelve during the first full school week of October was less than two thousand five hundred, not later than the Friday after the tests are administered, ~~except that:~~

(b) If the district's total enrollment in grades kindergarten through twelve during the first full school week of October was two thousand five hundred or more, but less than seven thousand, not later than the Monday after the tests are administered;

(c) If the district's total enrollment in grades kindergarten through twelve during the first full school week of October was seven thousand or more, not later than the Tuesday after the tests are administered.

However, any such test that a student takes during the make-up period described in division (C)(2) of this section shall be submitted not later than

the Friday following the day the student takes the test.

(2) The department or an entity with which the department contracts for the scoring of the test shall send to each school district board a list of the individual test scores of all persons taking any test prescribed by division (A)(1) or (B) of section 3301.0710 of the Revised Code within sixty days after its administration, but in no case shall the scores be returned later than the fifteenth day of June following the administration. For any tests administered under this section by a joint vocational school district, the department or entity shall also send to each city, local, or exempted village school district a list of the individual test scores of any students of such city, local, or exempted village school district who are attending school in the joint vocational school district.

(H) Individual test scores on any tests administered under this section shall be released by a district board only in accordance with section 3319.321 of the Revised Code and the rules adopted under division (A) of this section. No district board or its employees shall utilize individual or aggregate test results in any manner that conflicts with rules for the ethical use of tests adopted pursuant to division (A) of this section.

(I) Except as provided in division (G) of this section, the department or an entity with which the department contracts for the scoring of the test shall not release any individual test scores on any test administered under this section. The state board of education shall adopt rules to ensure the protection of student confidentiality at all times. The rules may require the use of the data verification codes assigned to students pursuant to division (D)(2) of section 3301.0714 of the Revised Code to protect the confidentiality of student test scores.

(J) Notwithstanding division (D) of section 3311.52 of the Revised Code, this section does not apply to the board of education of any cooperative education school district except as provided under rules adopted pursuant to this division.

(1) In accordance with rules that the state board of education shall adopt, the board of education of any city, exempted village, or local school district with territory in a cooperative education school district established pursuant to divisions (A) to (C) of section 3311.52 of the Revised Code may enter into an agreement with the board of education of the cooperative education school district for administering any test prescribed under this section to students of the city, exempted village, or local school district who are attending school in the cooperative education school district.

(2) In accordance with rules that the state board of education shall adopt, the board of education of any city, exempted village, or local school

district with territory in a cooperative education school district established pursuant to section 3311.521 of the Revised Code shall enter into an agreement with the cooperative district that provides for the administration of any test prescribed under this section to both of the following:

(a) Students who are attending school in the cooperative district and who, if the cooperative district were not established, would be entitled to attend school in the city, local, or exempted village school district pursuant to section 3313.64 or 3313.65 of the Revised Code;

(b) Persons described in division (B)(8)(b) of this section.

Any testing of students pursuant to such an agreement shall be in lieu of any testing of such students or persons pursuant to this section.

(K)(1) Any chartered nonpublic school may participate in the testing program by administering any of the tests prescribed by section 3301.0710 or 3301.0712 of the Revised Code if the chief administrator of the school specifies which tests the school wishes to administer. Such specification shall be made in writing to the superintendent of public instruction prior to the first day of August of any school year in which tests are administered and shall include a pledge that the nonpublic school will administer the specified tests in the same manner as public schools are required to do under this section and rules adopted by the department.

(2) The department of education shall furnish the tests prescribed by section 3301.0710 or 3301.0712 of the Revised Code to any chartered nonpublic school electing to participate under this division.

(L)(1) The superintendent of the state school for the blind and the superintendent of the state school for the deaf shall administer the tests described by section 3301.0710 of the Revised Code. Each superintendent shall administer the tests in the same manner as district boards are required to do under this section and rules adopted by the department of education and in conformity with division (C)(1)(a) of this section.

(2) The department of education shall furnish the tests described by section 3301.0710 of the Revised Code to each superintendent.

(M) Notwithstanding division (E) of this section, a school district may use a student's failure to attain a score in at least the basic range on the mathematics test described by division (A)(1)(a) of section 3301.0710 of the Revised Code or on any of the tests described by division (A)(1)(b), (c), (d), (e), or (f) of section 3301.0710 of the Revised Code as a factor in retaining that student in the current grade level.

(N)(1) In the manner specified in divisions (N)(3) to (5) of this section, the tests required by section 3301.0710 of the Revised Code shall become public records pursuant to section 149.43 of the Revised Code on the first

day of July following the school year that the test was administered.

(2) The department may field test proposed test questions with samples of students to determine the validity, reliability, or appropriateness of test questions for possible inclusion in a future year's test. The department also may use anchor questions on tests to ensure that different versions of the same test are of comparable difficulty.

Field test questions and anchor questions shall not be considered in computing test scores for individual students. Field test questions and anchor questions may be included as part of the administration of any test required by section 3301.0710 of the Revised Code.

(3) Any field test question or anchor question administered under division (N)(2) of this section shall not be a public record. Such field test questions and anchor questions shall be redacted from any tests which are released as a public record pursuant to division (N)(1) of this section.

(4) This division applies to the tests prescribed by division (A) of section 3301.0710 of the Revised Code.

(a) The first administration of each test, as specified in section 3301.0712 of the Revised Code, shall be a public record.

(b) For subsequent administrations of each test, not less than forty per cent of the questions on the test that are used to compute a student's score shall be a public record. The department shall determine which questions will be needed for reuse on a future test and those questions shall not be public records and shall be redacted from the test prior to its release as a public record. However, for each redacted question, the department shall inform each city, local, and exempted village school district of the statewide academic standard adopted by the state board of education under section 3301.079 of the Revised Code and the corresponding benchmark to which the question relates. The preceding sentence does not apply to field test questions that are redacted under division (N)(3) of this section.

(5) Each test prescribed by division (B) of section 3301.0710 of the Revised Code that is administered in the spring shall be a public record. Each test prescribed by that division that is administered in the fall or summer shall not be a public record.

(O) As used in this section:

(1) "Three-year average" means the average of the most recent consecutive three school years of data.

(2) "Dropout" means a student who withdraws from school before completing course requirements for graduation and who is not enrolled in an education program approved by the state board of education or an education program outside the state. "Dropout" does not include a student who has

departed the country.

(3) "Graduation rate" means the ratio of students receiving a diploma to the number of students who entered ninth grade four years earlier. Students who transfer into the district are added to the calculation. Students who transfer out of the district for reasons other than dropout are subtracted from the calculation. If a student who was a dropout in any previous year returns to the same school district, that student shall be entered into the calculation as if the student had entered ninth grade four years before the graduation year of the graduating class that the student joins.

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 with disabilities, 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~~ disability. 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~~ disabling 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 information technology center operated under section

3301.075 of the Revised Code and is authorized by the district or technology center 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 information technology centers 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.

The director of health shall request and receive, pursuant to sections 3301.0723 and 3701.62 of the Revised Code, a data verification code for a child who is receiving services under division (A)(2) of section 3701.61 of the Revised Code.

(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 2151.357 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 and, in accordance with section 3314.17 of the

Revised Code, any community school. As used in division (L) of this section, "school district" also includes any educational service center or other educational entity required to submit data using the system established under this section.

(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.~~

(1) In accordance with division (L)(2) of this section and the rules

adopted under division (L)(10) of this section, the department of education may sanction any school district that reports incomplete or inaccurate data, reports data that does not conform to data requirements and descriptions published by the department, fails to report data in a timely manner, or otherwise does not make a good faith effort to report data as required by this section.

(2) If the department decides to sanction a school district under this division, the department shall take the following sequential actions:

(a) Notify the district in writing that the department has determined that data has not been reported as required under this section and require the district to review its data submission and submit corrected data by a deadline established by the department. The department also may require the district to develop a corrective action plan, which shall include provisions for the district to provide mandatory staff training on data reporting procedures.

(b) Withhold up to ten per cent of the total amount of state funds due to the district for the current fiscal year and, if not previously required under division (L)(2)(a) of this section, require the district to develop a corrective action plan in accordance with that division;

(c) Withhold an additional amount of up to twenty per cent of the total amount of state funds due to the district for the current fiscal year;

(d) Direct department staff or an outside entity to investigate the district's data reporting practices and make recommendations for subsequent actions. The recommendations may include one or more of the following actions:

(i) Arrange for an audit of the district's data reporting practices by department staff or an outside entity;

(ii) Conduct a site visit and evaluation of the district;

(iii) Withhold an additional amount of up to thirty per cent of the total amount of state funds due to the district for the current fiscal year;

(iv) Continue monitoring the district's data reporting;

(v) Assign department staff to supervise the district's data management system;

(vi) Conduct an investigation to determine whether to suspend or revoke the license of any district employee in accordance with division (N) of this section;

(vii) If the district is issued a report card under section 3302.03 of the Revised Code, indicate on the report card that the district has been sanctioned for failing to report data as required by this section;

(viii) If the district is issued a report card under section 3302.03 of the

Revised Code and incomplete or inaccurate data submitted by the district likely caused the district to receive a higher performance rating than it deserved under that section, issue a revised report card for the district;

(ix) Any other action designed to correct the district's data reporting problems.

(3) Any time the department takes an action against a school district under division (L)(2) of this section, the department shall make a report of the circumstances that prompted the action. The department shall send a copy of the report to the district superintendent or chief administrator and maintain a copy of the report in its files.

(4) If any action taken under division (L)(2) of this section resolves a school district's data reporting problems to the department's satisfaction, the department shall not take any further actions described by that division. If the department withheld funds from the district under that division, the department may release those funds to the district, except that if the department withheld funding under division (L)(2)(c) of this section, the department shall not release the funds withheld under division (L)(2)(b) of this section and, if the department withheld funding under division (L)(2)(d) of this section, the department shall not release the funds withheld under division (L)(2)(b) or (c) of this section.

(5) Notwithstanding anything in this section to the contrary, the department may use its own staff or an outside entity to conduct an audit of a school district's data reporting practices any time the department has reason to believe the district has not made a good faith effort to report data as required by this section. If any audit conducted by an outside entity under division (L)(2)(d)(i) or (5) of this section confirms that a district has not made a good faith effort to report data as required by this section, the district shall reimburse the department for the full cost of the audit. The department may withhold state funds due to the district for this purpose.

(6) Prior to issuing a revised report card for a school district under division (L)(2)(d)(viii) of this section, the department may hold a hearing to provide the district with an opportunity to demonstrate that it made a good faith effort to report data as required by this section. The hearing shall be conducted by a referee appointed by the department. Based on the information provided in the hearing, the referee shall recommend whether the department should issue a revised report card for the district. If the referee affirms the department's contention that the district did not make a good faith effort to report data as required by this section, the district shall bear the full cost of conducting the hearing and of issuing any revised report card.

(7) If the department determines that any inaccurate data reported under this section caused a school district to receive excess state funds in any fiscal year, the district shall reimburse the department an amount equal to the excess funds, in accordance with a payment schedule determined by the department. The department may withhold state funds due to the district for this purpose.

(8) Any school district that has funds withheld under division (L)(2) of this section may appeal the withholding in accordance with Chapter 119. of the Revised Code.

(9) In all cases of a disagreement between the department and a school district regarding the appropriateness of an action taken under division (L)(2) of this section, the burden of proof shall be on the district to demonstrate that it made a good faith effort to report data as required by this section.

(10) The state board of education shall adopt rules under Chapter 119. of the Revised Code to implement division (L) of this section.

(M) No information technology center 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. 3301.0718. (A) After completing the required standards specified in section 3301.079 of the Revised Code, the state board of education shall

adopt standards and model curricula for instruction in computer literacy for grades three through twelve and in fine arts and foreign language for grades kindergarten through twelve. ~~The~~

(B) Not later than December 31, 2007, the state board shall adopt the most recent standards developed by the national association for sport and physical education for physical education in grades kindergarten through twelve or shall adopt its own standards for physical education in those grades. The department of education shall provide the standards, and any revisions of the standards, to all school districts and community schools established under Chapter 3314. of the Revised Code. Any school district or community school may utilize the standards.

The department shall employ a full-time physical education coordinator to provide guidance and technical assistance to districts and community schools in implementing the standards adopted under this division. The superintendent of public instruction shall determine that the person employed as coordinator is qualified for the position, as demonstrated by possessing an adequate combination of education, license, and experience. The department shall hire a coordinator not later than October 31, 2007.

(C) The state board shall not adopt or revise any standards or curriculum in the area of health or ~~physical education~~ unless, by concurrent resolution, the standards, curriculum, or revisions are approved by both houses of the general assembly. Before the house of representatives or senate votes on a concurrent resolution approving health or ~~physical education~~ standards, curriculum, or revisions, its standing committee having jurisdiction over education legislation shall conduct at least one public hearing on the standards, curriculum, or revisions.

~~(B)~~(D) The state board shall not adopt a diagnostic assessment or achievement test for any grade level or subject area other than those specified in section 3301.079 of the Revised Code.

Sec. 3301.0724. (A) The department of education annually shall report to the general assembly, in accordance with section 101.68 of the Revised Code, for each school district all of the following information for the previous school year:

- (1) The aggregate amount spent for teacher salaries;
- (2) The aggregate amount spent for salaries of nonteaching employees;
- (3) The aggregate amount spent for health care benefits for all employees and the percentage that amount is of the total amount paid in employer's contributions and employees' contributions for those benefits;
- (4) The aggregate amount spent for the employer's contributions to the state teachers retirement system and the school employees retirement

system:

(5) Whether the school district pays any part of the employees' contributions to the state teachers retirement system or the school employees retirement system;

(6) The number of sick days, vacation days, and personal days provided for teachers and nonteaching employees.

(B) The department shall consult with the state employment relations board in preparing the report required by this section.

(C) If necessary, as determined by the department, each school district shall report to the department data prescribed by division (A) of this section in the manner and by the deadline specified by the department so that the department can comply with this section.

(D) As used in this section, "school year" has the same meaning as in section 3313.62 of the Revised Code.

Sec. 3301.12. (A) The superintendent of public instruction in addition to the authority otherwise imposed on the superintendent, shall perform the following duties:

(1) The superintendent shall provide technical and professional assistance and advice to all school districts in reference to all aspects of education, including finance, buildings and equipment, administration, organization of school districts, curriculum and instruction, transportation of pupils, personnel problems, and the interpretation of school laws and state regulations.

(2) The superintendent shall prescribe and require the preparation and filing of such financial and other reports from school districts, officers, and employees as are necessary or proper. The superintendent shall prescribe and require the installation by school districts of such standardized reporting forms and accounting procedures as are essential to the businesslike operations of the public schools of the state.

(3) The superintendent shall conduct such studies and research projects as are necessary or desirable for the improvement of public school education in Ohio, and such as may be assigned to the superintendent by the state board of education. Such studies and projects may include analysis of data contained in the education management information system established under section 3301.0714 of the Revised Code. For any study or project that requires the analysis of individual student data, the department of education or any entity with which the superintendent or department contracts to conduct the study or project shall maintain the confidentiality of student data at all times. For this purpose, the department or contracting entity shall use the data verification code assigned pursuant to division (D)(2) of section

3301.0714 of the Revised Code for each student whose data is analyzed. Except as otherwise provided in division (D)(1) of section 3301.0714 of the Revised Code, at no time shall the superintendent, the department, the state board of education, or any entity conducting a study or research project on the superintendent's behalf have access to a student's name, address, or social security number while analyzing individual student data.

(4) The superintendent shall prepare and submit annually to the state board of education a report of the activities of the department of education and the status, problems, and needs of education in the state of Ohio.

(5) The superintendent shall supervise all agencies over which the board exercises administrative control, including schools for education of ~~handicapped~~ persons with disabilities.

(B) The superintendent of public instruction may annually inspect and analyze the expenditures of each school district and make a determination as to the efficiency of each district's costs, relative to other school districts in the state, for instructional, administrative, and student support services. The superintendent shall notify each school district as to the nature of, and reasons for, the determination. The state board of education shall adopt rules in accordance with Chapter 119. of the Revised Code setting forth the procedures and standards for the performance of the inspection and analysis.

Sec. 3301.162. (A) If the governing authority of a chartered nonpublic school intends to close the school, the governing authority shall notify all of the following of that intent prior to closing the school:

(1) The department of education;

(2) The school district that receives auxiliary services funding under division (I) of section 3317.024 of the Revised Code on behalf of the students enrolled in the school;

(3) The accrediting association that most recently accredited the school for purposes of chartering the school in accordance with the rules of the state board of education, if applicable.

The notice shall include the school year and, if possible, the actual date the school will close.

(B) The chief administrator of each chartered nonpublic school that closes shall deposit the school's records with either:

(1) The accrediting association that most recently accredited the school for purposes of chartering the school in accordance with the rules of the state board, if applicable;

(2) The school district that received auxiliary services funding under division (I) of section 3317.024 of the Revised Code on behalf of the students enrolled in the school.

The school district that receives the records may charge for and receive a one-time reimbursement from auxiliary services funding under division (I) of section 3317.024 of the Revised Code for costs the district incurred to store the records.

Sec. 3301.311. (A) As used in this section, "preschool program" has the same meaning as in section 3301.52 of the Revised Code.

~~(B)(1)~~ Subject to ~~division (B)(2)~~ divisions (C) and (D) of this section, ~~after July 1, 2005~~ beginning in fiscal year 2006, no preschool program, and no early childhood education program or early learning program as defined by the department of education shall receive any funds from the state unless fifty per cent of the staff members employed by that program as teachers are working toward an associate degree of a type approved by the department.

(C)(1) Subject to division ~~(B)(C)~~(2) of this section, beginning in fiscal year ~~2008~~ 2010, no preschool program, and no early childhood education program; or early learning program as defined by the department, existing prior to fiscal year 2007, shall receive any funds from the state unless every staff member employed by that program as a teacher has attained ~~such a~~ an associate degree of a type approved by the department.

(2) ~~After July 1, 2010~~ Beginning in fiscal year 2011, no preschool program, and no early childhood education program or early learning program as defined by the department ~~of education, existing prior to fiscal year 2007~~, shall receive any funds from the state unless fifty per cent of the staff members employed by the program as teachers have attained a bachelor's degree of a type approved by the department.

(D)(1) Subject to division (D)(2) of this section, beginning in fiscal year 2012, no preschool program, and no early childhood education program or early learning program as defined by the department, established during or after fiscal year 2007, shall receive any funds from the state unless every staff member employed by that program as a teacher has attained an associate degree of a type approved by the department.

(2) Beginning in fiscal year 2013, no preschool program, and no early childhood education program or early learning program as defined by the department, established during or after fiscal year 2007, shall receive any funds from the state unless fifty per cent of the staff members employed by the program as teachers have attained a bachelor's degree of a type approved by the department.

Sec. 3301.53. (A) ~~Not later than July 1, 1988, the~~ The state board of education, in consultation with the director of job and family services, shall formulate and prescribe by rule adopted under Chapter 119. of the Revised Code minimum standards to be applied to preschool programs operated by

school district boards of education, county MR/DD boards, or eligible nonpublic schools. The rules shall include the following:

(1) Standards ensuring that the preschool program is located in a safe and convenient facility that accommodates the enrollment of the program, is of the quality to support the growth and development of the children according to the program objectives, and meets the requirements of section 3301.55 of the Revised Code;

(2) Standards ensuring that supervision, discipline, and programs will be administered according to established objectives and procedures;

(3) Standards ensuring that preschool staff members and nonteaching employees are recruited, employed, assigned, evaluated, and provided inservice education without discrimination on the basis of age, color, national origin, race, or sex; and that preschool staff members and nonteaching employees are assigned responsibilities in accordance with written position descriptions commensurate with their training and experience;

(4) A requirement that boards of education intending to establish a preschool program ~~on or after March 17, 1989, demonstrate a need for a preschool program that is not being met by any existing program providing child care,~~ prior to establishing the program;

(5) Requirements that children participating in preschool programs have been immunized to the extent considered appropriate by the state board to prevent the spread of communicable disease;

(6) Requirements that the parents of preschool children complete the emergency medical authorization form specified in section 3313.712 of the Revised Code.

(B) The state board of education in consultation with the director of job and family services shall ensure that the rules adopted by the state board under sections 3301.52 to 3301.58 of the Revised Code are consistent with and meet or exceed the requirements of Chapter 5104. of the Revised Code with regard to child day-care centers. The state board and the director of job and family services shall review all such rules at least once every five years.

(C) ~~On or before January 1, 1992, the~~ The state board of education, in consultation with the director of job and family services, shall adopt rules for school child programs that are consistent with and meet or exceed the requirements of the rules adopted for school child day-care centers under Chapter 5104. of the Revised Code.

Sec. 3302.03. (A) Annually the department of education shall report for each school district and each school building in a district all of the following:

(1) The extent to which the school district or building meets each of the applicable performance indicators created by the state board of education under section 3302.02 of the Revised Code and the number of applicable performance indicators that have been achieved;

(2) The performance index score of the school district or building;

(3) Whether the school district or building has made adequate yearly progress;

(4) Whether the school district or building is excellent, effective, needs continuous improvement, is under an academic watch, or is in a state of academic emergency.

(B) Except as otherwise provided in ~~division~~ divisions (B)(6) and (7) of this section:

(1) A school district or building shall be declared excellent if it fulfills one of the following requirements:

(a) It makes adequate yearly progress and either meets at least ninety-four per cent of the applicable state performance indicators or has a performance index score established by the department.

(b) It has failed to make adequate yearly progress for not more than two consecutive years and either meets at least ninety-four per cent of the applicable state performance indicators or has a performance index score established by the department.

(2) A school district or building shall be declared effective if it fulfills one of the following requirements:

(a) It makes adequate yearly progress and either meets at least seventy-five per cent but less than ninety-four per cent of the applicable state performance indicators or has a performance index score established by the department.

(b) It does not make adequate yearly progress and either meets at least seventy-five per cent of the applicable state performance indicators or has a performance index score established by the department, except that if it does not make adequate yearly progress for three consecutive years, it shall be declared in need of continuous improvement.

(3) A school district or building shall be declared to be in need of continuous improvement if it fulfills one of the following requirements:

(a) It makes adequate yearly progress, meets less than seventy-five per cent of the applicable state performance indicators, and has a performance index score established by the department.

(b) It does not make adequate yearly progress and either meets at least fifty per cent but less than seventy-five per cent of the applicable state performance indicators or has a performance index score established by the

department.

(4) A school district or building shall be declared to be under an academic watch if it does not make adequate yearly progress and either meets at least thirty-one per cent but less than fifty per cent of the applicable state performance indicators or has a performance index score established by the department.

(5) A school district or building shall be declared to be in a state of academic emergency if it does not make adequate yearly progress, does not meet at least thirty-one per cent of the applicable state performance indicators, and has a performance index score established by the department.

(6) When designating performance ratings for school districts and buildings under divisions (B)(1) to (5) of this section, the department shall not assign a school district or building a lower designation from its previous year's designation based solely on one subgroup not making adequate yearly progress.

(7) Division (B)(7) of this section does not apply to any community school established under Chapter 3314. of the Revised Code in which a majority of the students are enrolled in a dropout prevention and recovery program.

A school district or building shall not be assigned a higher performance rating than in need of continuous improvement if at least ten per cent but not more than fifteen per cent of the enrolled students do not take all achievement tests prescribed for their grade level under section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code. A school district or building shall not be assigned a higher performance rating than under an academic watch if more than fifteen per cent but not more than twenty per cent of the enrolled students do not take all achievement tests prescribed for their grade level under section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code. A school district or building shall not be assigned a higher performance rating than in a state of academic emergency if more than twenty per cent of the enrolled students do not take all achievement tests prescribed for their grade level under section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code.

(C)(1) The department shall issue annual report cards for each school district, each building within each district, and for the state as a whole reflecting performance on the indicators created by the state board under section 3302.02 of the Revised Code, the performance index score, and

adequate yearly progress.

(2) The department shall include on the report card for each district information pertaining to any change from the previous year made by the school district or school buildings within the district on any performance indicator.

(3) When reporting data on student performance, the department shall disaggregate that data according to the following categories:

- (a) Performance of students by age group;
- (b) Performance of students by race and ethnic group;
- (c) Performance of students by gender;
- (d) Performance of students grouped by those who have been enrolled in a district or school for three or more years;
- (e) Performance of students grouped by those who have been enrolled in a district or school for more than one year and less than three years;
- (f) Performance of students grouped by those who have been enrolled in a district or school for one year or less;
- (g) Performance of students grouped by those who are economically disadvantaged;
- (h) Performance of students grouped by those who are enrolled in a conversion community school established under Chapter 3314. of the Revised Code;
- (i) Performance of students grouped by those who are classified as limited English proficient;
- (j) Performance of students grouped by those who have disabilities;
- (k) Performance of students grouped by those who are classified as migrants;
- (l) Performance of students grouped by those who are identified as gifted pursuant to Chapter 3324. of the Revised Code.

The department may disaggregate data on student performance according to other categories that the department determines are appropriate. To the extent possible, the department shall disaggregate data on student performance according to any combinations of two or more of the categories listed in divisions (C)(3)(a) to (l) of this section that it deems relevant.

In reporting data pursuant to division (C)(3) of this section, the department shall not include in the report cards any data statistical in nature that is statistically unreliable or that could result in the identification of individual students. For this purpose, the department shall not report student performance data for any group identified in division (C)(3) of this section that contains less than ten students.

(4) The department may include with the report cards any additional

education and fiscal performance data it deems valuable.

(5) The department shall include on each report card a list of additional information collected by the department that is available regarding the district or building for which the report card is issued. When available, such additional information shall include student mobility data disaggregated by race and socioeconomic status, college enrollment data, and the reports prepared under section 3302.031 of the Revised Code.

The department shall maintain a site on the world wide web. The report card shall include the address of the site and shall specify that such additional information is available to the public at that site. The department shall also provide a copy of each item on the list to the superintendent of each school district. The district superintendent shall provide a copy of any item on the list to anyone who requests it.

(6)(a) This division does not apply to conversion community schools that primarily enroll students between sixteen and twenty-two years of age who dropped out of high school or are at risk of dropping out of high school due to poor attendance, disciplinary problems, or suspensions.

For any district that sponsors a conversion community school under Chapter 3314. of the Revised Code, the department shall combine data regarding the academic performance of students enrolled in the community school with comparable data from the schools of the district for the purpose of calculating the performance of the district as a whole on the report card issued for the district.

(b) Any district that leases a building to a community school located in the district or that enters into an agreement with a community school located in the district whereby the district and the school endorse each other's programs may elect to have data regarding the academic performance of students enrolled in the community school combined with comparable data from the schools of the district for the purpose of calculating the performance of the district as a whole on the district report card. Any district that so elects shall annually file a copy of the lease or agreement with the department.

(7) The department shall include on each report card the percentage of teachers in the district or building who are highly qualified, as defined by the "No Child Left Behind Act of 2001," and a comparison of that percentage with the percentages of such teachers in similar districts and buildings.

(8) The department shall include on the report card the number of master teachers employed by each district and each building once the data is available from the education management information system established

under section 3301.0714 of the Revised Code.

(D)(1) In calculating reading, writing, mathematics, social studies, or science proficiency or achievement test passage rates used to determine school district or building performance under this section, the department shall include all students taking a test with accommodation or to whom an alternate assessment is administered pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code.

(2) In calculating performance index scores, rates of achievement on the performance indicators established by the state board under section 3302.02 of the Revised Code, and adequate yearly progress for school districts and buildings under this section, the department shall do all of the following:

(a) Include for each district or building only those students who are included in the ADM certified for the first full school week of October and are continuously enrolled in the district or building through the time of the spring administration of any test prescribed by section 3301.0710 of the Revised Code that is administered to the student's grade level;

(b) Include cumulative totals from both the fall and spring administrations of the third grade reading achievement test;

(c) Except as required by the "No Child Left Behind Act of 2001" for the calculation of adequate yearly progress, exclude for each district or building any limited English proficient student who has been enrolled in United States schools for less than one full school year.

Sec. 3302.10. (A) Beginning July 1, 2007, the superintendent of public instruction shall establish an academic distress commission for each school district that has been declared to be in a state of academic emergency pursuant to section 3302.03 of the Revised Code and has failed to make adequate yearly progress for four or more consecutive school years. Each commission shall assist the district for which it was established in improving the district's academic performance.

Each commission is a body both corporate and politic, constituting an agency and instrumentality of the state and performing essential governmental functions of the state. A commission shall be known as the "academic distress commission for (name of school district)," and, in that name, may exercise all authority vested in such a commission by this section. A separate commission shall be established for each school district to which this division applies.

(B) Each academic distress commission shall consist of five voting members, three of whom shall be appointed by the superintendent of public instruction and two of whom shall be residents of the applicable school district appointed by the president of the district board of education ~~of the~~

applicable school district. When a school district becomes subject to this section, the superintendent of public instruction shall provide written notification of that fact to the district board of education and shall request the president of the district board to submit to the superintendent of public instruction, in writing, the names of the president's appointees to the commission. The superintendent of public instruction and the president of the district board shall make appointments to the commission within thirty days after the district is notified that it is subject to this section.

Members of the commission shall serve at the pleasure of their appointing authority during the life of the commission. In the event of the death, resignation, incapacity, removal, or ineligibility to serve of a member, the appointing authority shall appoint a successor within fifteen days after the vacancy occurs. Members shall serve without compensation, but shall be paid by the commission their necessary and actual expenses incurred while engaged in the business of the commission.

(C) Immediately after appointment of the initial members of an academic distress commission, the superintendent of public instruction shall call the first meeting of the commission and shall cause written notice of the time, date, and place of that meeting to be given to each member of the commission at least forty-eight hours in advance of the meeting. The first meeting shall include an overview of the commission's roles and responsibilities, the requirements of section 2921.42 and Chapter 102. of the Revised Code as they pertain to commission members, the requirements of section 121.22 of the Revised Code, and the provisions of division (F) of this section. At its first meeting, the commission shall adopt temporary bylaws in accordance with division (D) of this section to govern its operations until the adoption of permanent bylaws.

The superintendent of public instruction shall designate a chairperson for the commission from among the members appointed by the superintendent. The chairperson shall call and conduct meetings, set meeting agendas, and serve as a liaison between the commission and the district board of education. The chairperson also shall appoint a secretary, who shall not be a member of the commission.

The department of education shall provide administrative support for the commission, provide data requested by the commission, and inform the commission of available state resources that could assist the commission in its work.

(D) Each academic distress commission may adopt and alter bylaws and rules, which shall not be subject to section 111.15 or Chapter 119. of the Revised Code, for the conduct of its affairs and for the manner, subject to

this section, in which its powers and functions shall be exercised and embodied.

(E) Three members of an academic distress commission constitute a quorum of the commission. The affirmative vote of three members of the commission is necessary for any action taken by vote of the commission. No vacancy in the membership of the commission shall impair the rights of a quorum by such vote to exercise all the rights and perform all the duties of the commission. Members of the commission are not disqualified from voting by reason of the functions of any other office they hold and are not disqualified from exercising the functions of the other office with respect to the school district, its officers, or the commission.

(F) The members of an academic distress commission, the superintendent of public instruction, and any person authorized to act on behalf of or assist them shall not be personally liable or subject to any suit, judgment, or claim for damages resulting from the exercise of or failure to exercise the powers, duties, and functions granted to them in regard to their functioning under this section, but the commission, superintendent of public instruction, and such other persons shall be subject to mandamus proceedings to compel performance of their duties under this section.

(G) Each member of an academic distress commission shall file the statement described in section 102.02 of the Revised Code with the Ohio ethics commission. The statement shall be confidential, subject to review, as described in division (B) of that section.

(H) Meetings of each academic distress commission shall be subject to section 121.22 of the Revised Code.

(I)(1) Within one hundred twenty days after the first meeting of an academic distress commission, the commission shall adopt an academic recovery plan to improve academic performance in the school district. The plan shall address academic problems at both the district and school levels. The plan shall include the following:

(a) Short-term and long-term actions to be taken to improve the district's academic performance, including any actions required by section 3302.04 of the Revised Code;

(b) The sequence and timing of the actions described in division (I)(1)(a) of this section and the persons responsible for implementing the actions;

(c) Resources that will be applied toward improvement efforts;

(d) Procedures for monitoring and evaluating improvement efforts;

(e) Requirements for reporting to the commission and the district board of education on the status of improvement efforts.

(2) The commission may amend the academic recovery plan subsequent to adoption. The commission shall update the plan at least annually.

(3) The commission shall submit the academic recovery plan it adopts or updates to the superintendent of public instruction for approval immediately following its adoption or updating. The superintendent shall evaluate the plan and either approve or disapprove it within thirty days after its submission. If the plan is disapproved, the superintendent shall recommend modifications that will render it acceptable. No academic distress commission shall implement an academic recovery plan unless the superintendent has approved it.

(4) County, state, and school district officers and employees shall assist the commission diligently and promptly in the implementation of the academic recovery plan.

(J) Each academic distress commission shall seek input from the district board of education regarding ways to improve the district's academic performance, but any decision of the commission related to any authority granted to the commission under this section shall be final.

The commission may do any of the following:

(1) Appoint school building administrators and reassign administrative personnel;

(2) Terminate the contracts of administrators or administrative personnel. The commission shall not be required to comply with section 3319.16 of the Revised Code with respect to any contract terminated under this division.

(3) Contract with a private entity to perform school or district management functions;

(4) Establish a budget for the district and approve district appropriations and expenditures, unless a financial planning and supervision commission has been established for the district pursuant to section 3316.05 of the Revised Code.

~~(D)~~(K) If the board of education of a district for which an academic distress commission has been established under this section renews any collective bargaining agreement under Chapter 4117. of the Revised Code during the existence of the commission, the district board shall not enter into any agreement that would render any decision of the commission unenforceable. Section 3302.08 of the Revised Code does not apply to this division.

Notwithstanding any provision to the contrary in Chapter 4117. of the Revised Code, if the board of education has entered into a collective bargaining agreement after ~~the effective date of this section~~ September 29,

2005, that contains stipulations relinquishing one or more of the rights or responsibilities listed in division (C) of section 4117.08 of the Revised Code, those stipulations are not enforceable and the district board shall resume holding those rights or responsibilities as if it had not relinquished them in that agreement until such time as both the academic distress commission ceases to exist and the district board agrees to relinquish those rights or responsibilities in a new collective bargaining agreement. The provisions of this paragraph apply to a collective bargaining agreement entered into after ~~the effective date of this section~~ September 29, 2005, and those provisions are deemed to be part of that agreement regardless of whether the district satisfied the conditions prescribed in division (A) of this section at the time the district entered into that agreement.

~~(E)~~(L) An academic distress commission shall cease to exist when the district for which it was established receives a performance rating under section 3302.03 of the Revised Code of in need of continuous improvement or better for two ~~out~~ of the three prior school years; however, the superintendent of public instruction may dissolve the commission earlier if the superintendent determines that the district can perform adequately without the supervision of the commission. Upon termination of the commission, the department of education shall compile a final report of the commission's activities to assist other academic distress commissions in the conduct of their functions.

Sec. 3303.20. The superintendent of public instruction shall appoint a supervisor of agricultural education within the department of education. The supervisor shall be responsible for administering and disseminating to school districts information about agricultural education.

The department shall maintain an appropriate number of full-time employees focusing on agricultural education. The department shall employ at least three program consultants who shall be available to provide assistance to school districts on a regional basis throughout the state. At least one consultant may coordinate local activities of the student organization known as the future farmers of America.

Sec. 3307.01. As used in this chapter:

(A) "Employer" means the board of education, school district, governing authority of any community school established under Chapter 3314. of the Revised Code, a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code, college, university, institution, or other agency within the state by which a teacher is employed and paid.

(B) "Teacher" means all of the following:

(1) Any person paid from public funds and employed in the public schools of the state under any type of contract described in section 3319.08 of the Revised Code in a position for which the person is required to have a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;

(2) Any person employed as a teacher by a community school or a science, technology, engineering, and mathematics school pursuant to Chapter 3314. or 3326. of the Revised Code;

(3) Any person having a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and employed in a public school in this state in an educational position, as determined by the state board of education, under programs provided for by federal acts or regulations and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal acts or regulations;

(4) Any other teacher or faculty member employed in any school, college, university, institution, or other agency wholly controlled and managed, and supported in whole or in part, by the state or any political subdivision thereof, including Central state university, Cleveland state university, and the university of Toledo;

(5) The educational employees of the department of education, as determined by the state superintendent of public instruction.

In all cases of doubt, the state teachers retirement board shall determine whether any person is a teacher, and its decision shall be final.

"Teacher" does not include any eligible employee of a public institution of higher education, as defined in section 3305.01 of the Revised Code, who elects to participate in an alternative retirement plan established under Chapter 3305. of the Revised Code.

(C) "Member" means any person included in the membership of the state teachers retirement system, which shall consist of all teachers and contributors as defined in divisions (B) and (D) of this section and all disability benefit recipients, as defined in section 3307.50 of the Revised Code. However, for purposes of this chapter, the following persons shall not be considered members:

(1) A student, intern, or resident who is not a member while employed part-time by a school, college, or university at which the student, intern, or resident is regularly attending classes;

(2) A person denied membership pursuant to section 3307.24 of the Revised Code;

(3) An other system retirant, as defined in section 3307.35 of the Revised Code, or a superannuate;

(4) An individual employed in a program established pursuant to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 U.S.C.A. 1501.

(D) "Contributor" means any person who has an account in the teachers' savings fund or defined contribution fund.

(E) "Beneficiary" means any person eligible to receive, or in receipt of, a retirement allowance or other benefit provided by this chapter.

(F) "Year" means the year beginning the first day of July and ending with the thirtieth day of June next following, except that for the purpose of determining final average salary under the plan described in sections 3307.50 to 3307.79 of the Revised Code, "year" may mean the contract year.

(G) "Local district pension system" means any school teachers pension fund created in any school district of the state in accordance with the laws of the state prior to September 1, 1920.

(H) "Employer contribution" means the amount paid by an employer, as determined by the employer rate, including the normal and deficiency rates, contributions, and funds wherever used in this chapter.

(I) "Five years of service credit" means employment covered under this chapter and employment covered under a former retirement plan operated, recognized, or endorsed by a college, institute, university, or political subdivision of this state prior to coverage under this chapter.

(J) "Actuary" means the actuarial consultant to the state teachers retirement board, who shall be either of the following:

(1) A member of the American academy of actuaries;

(2) A firm, partnership, or corporation of which at least one person is a member of the American academy of actuaries.

(K) "Fiduciary" means a person who does any of the following:

(1) Exercises any discretionary authority or control with respect to the management of the system, or with respect to the management or disposition of its assets;

(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;

(3) Has any discretionary authority or responsibility in the administration of the system.

(L)(1) Except as provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section 3307.26 of the

Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes.

(2) Compensation does not include any of the following:

(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;

(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;

(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter are paid;

(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by the employer to the teacher in lieu of providing the insurance;

(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the employer's property or equipment, and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(f) Payments made by the employer in exchange for a member's waiver of a right to receive any payment, amount, or benefit described in division (L)(2) of this section;

(g) Payments by the employer for services not actually rendered;

(h) Any amount paid by the employer as a retroactive increase in salary, wages, or other earnings, unless the increase is one of the following:

(i) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for teaching and not designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(ii) A retroactive increase paid to a member employed by a school district board of education in a position that requires a license designated for being an administrator issued under section 3319.22 of the Revised Code that is paid in accordance with uniform criteria applicable to all members employed by the board in positions requiring the licenses;

(iii) A retroactive increase paid to a member employed by a school district board of education as a superintendent that is also paid as described

in division (L)(2)(h)(i) of this section;

(iv) A retroactive increase paid to a member employed by an employer other than a school district board of education in accordance with uniform criteria applicable to all members employed by the employer.

(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.

(j) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(k) Anything of value received by the teacher that is based on or attributable to retirement or an agreement to retire.

(3) The retirement board shall determine by rule both of the following:

(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;

(b) Whether any form of earnings not enumerated in this division is to be included in compensation.

Decisions of the board made under this division shall be final.

(M) "Superannuate" means both of the following:

(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;

(2) A former teacher receiving a benefit from the system under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability under a plan established under section 3307.81 of the Revised Code.

For purposes of sections 3307.35 and 3307.353 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in accordance with section 3307.57 of the Revised Code, regardless of which retirement system is paying the benefit.

Sec. 3307.31. (A) Payments by boards of education and governing authorities of community schools to the state teachers retirement system, as

provided in sections 3307.29 and 3307.291 of the Revised Code, shall be made from the amount allocated under section 3314.08 or Chapter 3317. of the Revised Code prior to its distribution to the individual school districts or community schools. The amount due from each school district or community school shall be certified by the secretary of the system to the superintendent of public instruction monthly, or at such times as may be determined by the state teachers retirement board.

The superintendent shall deduct, from the amount allocated to each district or community school under section 3314.08 or Chapter 3317. of the Revised Code, the entire amounts due to the system from such district or school upon the certification to the superintendent by the secretary thereof.

The superintendent shall certify to the director of budget and management the amounts thus due the system for payment.

(B) Payments to the state teachers retirement system by a science, technology, engineering, and mathematics school shall be deducted from the amount allocated under section 3326.33 of the Revised Code and shall be made in the same manner as payments by boards of education under this section.

Sec. 3309.01. As used in this chapter:

(A) "Employer" or "public employer" means boards of education, school districts, joint vocational districts, governing authorities of community schools established under Chapter 3314. of the Revised Code, a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code, educational institutions, technical colleges, state, municipal, and community colleges, community college branches, universities, university branches, other educational institutions, or other agencies within the state by which an employee is employed and paid, including any organization using federal funds, provided the federal funds are disbursed by an employer as determined by the above. In all cases of doubt, the school employees retirement board shall determine whether any employer is an employer as defined in this chapter, and its decision shall be final.

(B) "Employee" means all of the following:

(1) Any person employed by a public employer in a position for which the person is not required to have a certificate or license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;

(2) Any person who performs a service common to the normal daily operation of an educational unit even though the person is employed and paid by one who has contracted with an employer to perform the service, and the contracting board or educational unit shall be the employer for the

purposes of administering the provisions of this chapter;

(3) Any person, not a faculty member, employed in any school or college or other institution wholly controlled and managed, and wholly or partly supported by the state or any political subdivision thereof, the board of trustees, or other managing body of which shall accept the requirements and obligations of this chapter.

In all cases of doubt, the school employees retirement board shall determine whether any person is an employee, as defined in this division, and its decision is final.

(C) "Prior service" means all service rendered prior to September 1, 1937:

(1) As an employee as defined in division (B) of this section;

(2) As an employee in a capacity covered by the public employees retirement system or the state teachers retirement system;

(3) As an employee of an institution in another state, service credit for which was procured by a member under the provisions of section 3309.31 of the Revised Code.

Prior service, for service as an employee in a capacity covered by the public employees retirement system or the state teachers retirement system, shall be granted a member under qualifications identical to the laws and rules applicable to service credit in those systems.

Prior service shall not be granted any member for service rendered in a capacity covered by the public employees retirement system, the state teachers retirement system, and this system in the event the service credit has, in the respective systems, been received, waived by exemption, or forfeited by withdrawal of contributions, except as provided in this chapter.

If a member who has been granted prior service should, subsequent to September 16, 1957, and before retirement, establish three years of contributing service in the public employees retirement system, or one year in the state teachers retirement system, then the prior service granted shall become, at retirement, the liability of the other system, if the prior service or employment was in a capacity that is covered by that system.

The provisions of this division shall not cancel any prior service granted a member by the school employees retirement board prior to August 1, 1959.

(D) "Total service," "total service credit," or "Ohio service credit" means all contributing service of a member of the school employees retirement system, and all prior service, computed as provided in this chapter, and all service established pursuant to sections 3309.31, 3309.311, and 3309.33 of the Revised Code. In addition, "total service" includes any

period, not in excess of three years, during which a member was out of service and receiving benefits from the state insurance fund, provided the injury or incapacitation was the direct result of school employment.

(E) "Member" means any employee, except an SERS retirant or other system retirant as defined in section 3309.341 of the Revised Code, who has established membership in the school employees retirement system. "Member" includes a disability benefit recipient.

(F) "Contributor" means any person who has an account in the employees' savings fund. When used in the sections listed in division (B) of section 3309.82 of the Revised Code, "contributor" includes any person participating in a plan established under section 3309.81 of the Revised Code.

(G) "Retirant" means any former member who retired and is receiving a service retirement allowance or commuted service retirement allowance as provided in this chapter.

(H) "Beneficiary" or "beneficiaries" means the estate or a person or persons who, as the result of the death of a contributor or retirant, qualifies for or is receiving some right or benefit under this chapter.

(I) "Interest," as specified in division (E) of section 3309.60 of the Revised Code, means interest at the rates for the respective funds and accounts as the school employees retirement board may determine from time to time, except as follows:

(1) The rate of interest credited on employee contributions at retirement shall be four per cent per annum, compounded annually, to and including June 30, 1955; three per cent per annum, compounded annually, from July 1, 1955, to and including June 30, 1963; three and one-quarter per cent per annum, compounded annually, from July 1, 1963, through June 30, 1966; and thereafter, four per cent per annum compounded annually until a change in the amount is recommended by the system's actuary and approved by the retirement board. Subsequent to June 30, 1959, the retirement board shall discontinue the annual crediting of current interest on a contributor's accumulated contributions. Noncrediting of current interest shall not affect the rate of interest at retirement guaranteed under this division.

(2) In determining the reserve value for purposes of computing the amount of the contributor's annuity, the rate of interest used in the annuity values shall be four per cent per annum through September 30, 1956; three per cent per annum compounded annually from October 1, 1956, through June 30, 1963; three and one-quarter per cent per annum compounded annually from July 1, 1963, through June 30, 1966; and, thereafter, four per cent per annum compounded annually until a change in the amount is

recommended by the system's actuary and approved by the retirement board. In the purchase of out-of-state service credit as provided in section 3309.31 of the Revised Code, and in the purchase of an additional annuity, as provided in section 3309.47 of the Revised Code, interest shall be computed and credited to reserves therefor at the rate the school employees retirement board shall fix as regular interest thereon.

(J) "Accumulated contributions" means the sum of all amounts credited to a contributor's account in the employees' savings fund together with any regular interest credited thereon at the rates approved by the retirement board prior to retirement.

(K) "Final average salary" means the sum of the annual compensation for the three highest years of compensation for which contributions were made by the member, divided by three. If the member has a partial year of contributing service in the year in which the member terminates employment and the partial year is at a rate of compensation that is higher than the rate of compensation for any one of the highest three years of annual earnings, the board shall substitute the compensation earned for the partial year for the compensation earned for a similar fractional portion in the lowest of the three high years of annual compensation before dividing by three. If a member has less than three years of contributing membership, the final average salary shall be the total compensation divided by the total number of years, including any fraction of a year, of contributing service.

(L) "Annuity" means payments for life derived from contributions made by a contributor and paid from the annuity and pension reserve fund as provided in this chapter. All annuities shall be paid in twelve equal monthly installments.

(M)(1) "Pension" means annual payments for life derived from appropriations made by an employer and paid from the employers' trust fund or the annuity and pension reserve fund. All pensions shall be paid in twelve equal monthly installments.

(2) "Disability retirement" means retirement as provided in section 3309.40 of the Revised Code.

(N) "Retirement allowance" means the pension plus the annuity.

(O)(1) "Benefit" means a payment, other than a retirement allowance or the annuity paid under section 3309.341 of the Revised Code, payable from the accumulated contributions of the member or the employer, or both, under this chapter and includes a disability allowance or disability benefit.

(2) "Disability allowance" means an allowance paid on account of disability under section 3309.401 of the Revised Code.

(3) "Disability benefit" means a benefit paid as disability retirement

under section 3309.40 of the Revised Code, as a disability allowance under section 3309.401 of the Revised Code, or as a disability benefit under section 3309.35 of the Revised Code.

(P) "Annuity reserve" means the present value, computed upon the basis of mortality tables adopted by the school employees retirement board, of all payments to be made on account of any annuity, or benefit in lieu of any annuity, granted to a retirant.

(Q) "Pension reserve" means the present value, computed upon the basis of mortality tables adopted by the school employees retirement board, of all payments to be made on account of any pension, or benefit in lieu of any pension, granted to a retirant or a beneficiary.

(R) "Year" means the year beginning the first day of July and ending with the thirtieth day of June next following.

(S) "Local district pension system" means any school employees' pension fund created in any school district of the state prior to September 1, 1937.

(T) "Employer contribution" means the amount paid by an employer as determined under section 3309.49 of the Revised Code.

(U) "Fiduciary" means a person who does any of the following:

(1) Exercises any discretionary authority or control with respect to the management of the system, or with respect to the management or disposition of its assets;

(2) Renders investment advice for a fee, direct or indirect, with respect to money or property of the system;

(3) Has any discretionary authority or responsibility in the administration of the system.

(V)(1) Except as otherwise provided in this division, "compensation" means all salary, wages, and other earnings paid to a contributor by reason of employment. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the employees' savings fund under section 3309.47 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes.

(2) Compensation does not include any of the following:

(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer;

(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer;

(c) Payments made for vacation pay covering concurrent periods for which other salary or compensation is also paid or during which benefits are paid under this chapter;

(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the contributor or the contributor's family, or amounts paid by the employer to the contributor in lieu of providing the insurance;

(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the employer's property or equipment, and reimbursement for job-related expenses authorized by the employer, including moving and travel expenses and expenses related to professional development;

(f) Payments made to or on behalf of a contributor that are in excess of the annual compensation that may be taken into account by the retirement system under division (a)(17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a)(17), as amended. For a contributor who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d)(3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472;

(g) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;

(h) Anything of value received by the contributor that is based on or attributable to retirement or an agreement to retire, except that payments made on or before January 1, 1989, that are based on or attributable to an agreement to retire shall be included in compensation if both of the following apply:

(i) The payments are made in accordance with contract provisions that were in effect prior to January 1, 1986.

(ii) The employer pays the retirement system an amount specified by the retirement board equal to the additional liability from the payments.

(3) The retirement board shall determine by rule whether any form of earnings not enumerated in this division is to be included in compensation, and its decision shall be final.

(W) "Disability benefit recipient" means a member who is receiving a disability benefit.

(X) "Actuary" means an individual who satisfies all of the following

requirements:

- (1) Is a member of the American academy of actuaries;
- (2) Is an associate or fellow of the society of actuaries;
- (3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.

Sec. 3309.51. (A) Each employer shall pay annually into the employers' trust fund, in such monthly or less frequent installments as the school employees retirement board requires, an amount certified by the school employees retirement board, which shall be as required by Chapter 3309. of the Revised Code.

Payments by school district boards of education to the employers' trust fund of the school employees retirement system may be made from the amounts allocated under Chapter 3317. of the Revised Code prior to their distribution to the individual school districts. The amount due from each school district may be certified by the secretary of the system to the superintendent of public instruction monthly, or at such times as is determined by the school employees retirement board.

Payments by governing authorities of community schools to the employers' trust fund of the school employees retirement system shall be made from the amounts allocated under section 3314.08 of the Revised Code prior to their distribution to the individual community schools. The amount due from each community school shall be certified by the secretary of the system to the superintendent of public instruction monthly, or at such times as determined by the school employees retirement board.

Payments by a science, technology, engineering, and mathematics school to the employers' trust fund of the school employees retirement system shall be made from the amounts allocated under section 3326.33 of the Revised Code prior to their distribution to the school. The amount due from a science, technology, engineering, and mathematics school shall be certified by the secretary of the school employees retirement system to the superintendent of public instruction monthly, or at such times as determined by the school employees retirement board.

(B) The superintendent shall deduct from the amount allocated to each community school under section 3314.08 ~~of the Revised Code,~~ to each school district under Chapter 3317. of the Revised Code, or to each science, technology, engineering, and mathematics school under section 3326.33 of the Revised Code the entire amounts due to the school employees retirement system from such school or school district upon the certification to the superintendent by the secretary thereof.

(C) Where an employer fails or has failed or refuses to make payments

to the employers' trust fund, as provided for under Chapter 3309. of the Revised Code, the secretary of the school employees retirement system may certify to the state superintendent of public instruction, monthly or at such times as is determined by the school employees retirement board, the amount due from such employer, and the superintendent shall deduct from the amount allocated to ~~each district or community school~~ the employer under section 3314.08 ~~or 3326.33~~ or Chapter 3317. of the Revised Code, ~~as applicable,~~ the entire amounts due to the system from ~~such districts or schools~~ the employer upon the certification to the superintendent by the secretary of the school employees retirement system.

(D) The superintendent shall certify to the director of budget and management the amounts thus due the system for payment.

Sec. 3310.41. (A) As used in this section:

(1) "Alternative public provider" means either of the following providers that agrees to enroll a child in the provider's special education program to implement the child's individualized education program and to which the child's parent owes fees for the services provided to the child:

(a) A school district that is not the school district in which the child is entitled to attend school;

(b) A public entity other than a school district.

(2) "Entitled to attend school" means entitled to attend school in a school district under section 3313.64 or 3313.65 of the Revised Code.

(3) "Formula ADM" and "category six special education ADM" have the same meanings as in section 3317.02 of the Revised Code.

(4) "~~Handicapped preschool~~ Preschool child with a disability" and "individualized education program" have the same meanings as in section 3323.01 of the Revised Code.

(5) "Parent" has the same meaning as in section 3313.64 of the Revised Code, except that "parent" does not mean a parent whose custodial rights have been terminated.

(6) "Preschool scholarship ADM" means the number of ~~handicapped~~ preschool children with disabilities reported under division (B)(3)(h) of section 3317.03 of the Revised Code.

(7) "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.

(8) "Registered private provider" means a nonpublic school or other nonpublic entity that has been approved by the ~~Department~~ department of ~~Education~~ education to participate in the program established under this section.

(9) "Special education program" means a school or facility that provides special education and related services to children with disabilities.

(B) There is hereby established the autism scholarship program. Under the program, 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 an alternative public provider 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 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) As prescribed in divisions (A)(2)(h), (B)(3)(g), and (B)(10) of section 3317.03 of the Revised Code, a child who is not a ~~handicapped~~ preschool child with a disability 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. As prescribed in divisions (B)(3)(h) and (B)(10) of section 3317.03 of the Revised Code, a child who is a ~~handicapped~~ preschool child with a disability for whom a scholarship is awarded under this section shall be counted in the preschool scholarship ADM and category six special education ADM of the school district in which the child is entitled to attend school and not in the preschool scholarship ADM or 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, or preschool scholarship ADM, and in the 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.

Sec. 3310.51. As used in sections 3310.51 to 3310.63 of the Revised Code:

(A) "Alternative public provider" means either of the following providers that agrees to enroll a child in the provider's special education program to implement the child's individualized education program and to which the eligible applicant owes fees for the services provided to the child:

(1) A school district that is not the school district in which the child is entitled to attend school or the child's school district of residence, if different;

(2) A public entity other than a school district.

(B) "Applicable special education weight" means the multiple specified in section 3317.013 of the Revised Code for a disability described in that section.

(C) "Category one through six special education ADM" means the respective categories prescribed in divisions (F)(1) to (6) of section 3317.02 of the Revised Code.

(D) "Child with a disability" and "individualized education program" have the same meanings as in section 3323.01 of the Revised Code.

(E) "Eligible applicant" means any of the following:

(1) Either of the natural or adoptive parents of a qualified special education child, except as otherwise specified in this division. When the marriage of the natural or adoptive parents of the student has been terminated by a divorce, dissolution of marriage, or annulment, or when the natural or adoptive parents of the student are living separate and apart under a legal separation decree, and a court has issued an order allocating the parental rights and responsibilities with respect to the child, "eligible

applicant" means the residential parent as designated by the court. If the court issues a shared parenting decree, "eligible applicant" means either parent. "Eligible applicant" does not mean a parent whose custodial rights have been terminated.

(2) The custodian of a qualified special education child, when a court has granted temporary, legal, or permanent custody of the child to an individual other than either of the natural or adoptive parents of the child or to a government agency;

(3) The guardian of a qualified special education child, when a court has appointed a guardian for the child;

(4) The grandparent of a qualified special education child, when the grandparent is the child's attorney in fact under a power of attorney executed under sections 3109.51 to 3109.62 of the Revised Code or when the grandparent has executed a caregiver authorization affidavit under sections 3109.65 to 3109.73 of the Revised Code;

(5) The surrogate parent appointed for a qualified special education child pursuant to division (B) of section 3323.05 and section 3323.051 of the Revised Code;

(6) A qualified special education child, if the child does not have a custodian or guardian and the child is at least eighteen years of age.

(F) "Entitled to attend school" means entitled to attend school in a school district under sections 3313.64 and 3313.65 of the Revised Code.

(G) "Formula ADM" and "formula amount" have the same meanings as in section 3317.02 of the Revised Code.

(H) "Qualified special education child" is a child for whom all of the following conditions apply:

(1) The child is at least five years of age and less than twenty-two years of age;

(2) The school district in which the child is entitled to attend school, or the child's school district of residence if different, has identified the child as a child with a disability;

(3) The school district in which the child is entitled to attend school, or the child's school district of residence if different, has developed an individualized education program under Chapter 3323. of the Revised Code for the child;

(4) The child either:

(a) Was enrolled in the schools of the school district in which the child is entitled to attend school in any grade from kindergarten through twelve in the school year prior to the school year in which a scholarship is first sought for the child;

(b) Is eligible to enter school in any grade kindergarten through twelve in the school district in which the child is entitled to attend school in the school year in which a scholarship is first sought for the child.

(I) "Registered private provider" means a nonpublic school or other nonpublic entity that has been registered by the superintendent of public instruction under section 3310.58 of the Revised Code.

(J) "Scholarship" means a scholarship awarded under the special education scholarship pilot program pursuant to sections 3310.51 to 3310.63 of the Revised Code.

(K) "School district of residence" has the same meaning as in section 3323.01 of the Revised Code. A community school established under Chapter 3314. of the Revised Code is not a "school district of residence" for purposes of sections 3310.51 to 3310.63 of the Revised Code.

(L) "School year" has the same meaning as in section 3313.62 of the Revised Code.

(M) "Special education program" means a school or facility that provides special education and related services to children with disabilities.

Sec. 3310.52. (A) The special education scholarship pilot program is hereby established. Under the program, in fiscal years 2009 through 2014, subject to division (B) of this section, the department of education annually shall pay a scholarship to an alternative public provider or a registered private provider on behalf of an eligible applicant for services provided for a qualified special education child. The scholarship shall be used only to pay all or part of the fees for the child to attend the special education program operated by the alternative public provider or registered private provider to implement the child's individualized education program in lieu of the child's attending the special education program operated by the school district in which the child is entitled to attend school.

(B) The number of scholarships awarded under the pilot program in any fiscal year shall not exceed three per cent of the total number of students residing in the state identified as children with disabilities during the previous fiscal year.

(C) No scholarship or renewal of a scholarship shall be awarded to an eligible applicant on behalf of a qualified special education child for the next school year, unless on or before the fifteenth day of April the eligible applicant completes the application for the scholarship or renewal, in the manner prescribed by the department, and notifies the school district in which the child is entitled to attend school that the eligible applicant has applied for the scholarship or renewal.

Sec. 3310.53. (A) Except for development of the child's individualized

education program, as specified in division (B) of this section, the school district in which a qualified special education child is entitled to attend school and the child's school district of residence, if different, are not obligated to provide the child with a free appropriate public education under Chapter 3323. of the Revised Code for as long as the child continues to attend the special education program operated by either an alternative public provider or a registered private provider for which a scholarship is awarded under the special education scholarship pilot program. If at any time, the eligible applicant for the child decides no longer to accept scholarship payments and enrolls the child in the special education program of the school district in which the child is entitled to attend school, that district shall provide the child with a free appropriate public education under Chapter 3323. of the Revised Code.

(B) Each eligible applicant and each qualified special education child have a continuing right to the development of an individualized education program for the child that complies with Chapter 3323. of the Revised Code, 20 U.S.C. 1400 et seq., and administrative rules or guidelines adopted by the Ohio department of education or the United States department of education. The school district in which a qualified special education child is entitled to attend school, or the child's school district of residence if different, shall develop each individualized education program for the child in accordance with those provisions.

(C) Each school district shall notify an eligible applicant of the applicant's and qualified special education child's rights under sections 3310.51 to 3310.63 of the Revised Code by providing to each eligible applicant the comparison document prescribed in section 3323.052 of the Revised Code. An eligible applicant's receipt of that document, as acknowledged in a format prescribed by the department of education, shall constitute notice that the eligible applicant has been informed of those rights. Upon receipt of that document, subsequent acceptance of a scholarship constitutes the eligible applicant's informed consent to the provisions of sections 3310.51 to 3310.63 of the Revised Code.

Sec. 3310.54. As prescribed in divisions (A)(2)(h), (B)(3)(g), and (B)(5) to (10) of section 3317.03 of the Revised Code, a qualified special education child in any of grades kindergarten through twelve for whom a scholarship is awarded under the special education scholarship pilot program shall be counted in the formula ADM and category one through six special education ADM, as appropriate, of the school district in which the child is entitled to attend school. A qualified special education child shall not be counted in the formula ADM or category one through six special education ADM of any

other school district.

Sec. 3310.55. The department of education shall deduct from a school district's state education aid, as defined in section 3317.02 of the Revised Code, and, if necessary, from its payment under sections 321.24 and 323.156 of the Revised Code, the aggregate amount of scholarships paid under section 3310.57 of the Revised Code for qualified special education children included in the formula ADM and the category one through six special education ADM of that school district.

Sec. 3310.56. The amount of the scholarship awarded and paid on behalf of an eligible applicant for services for a qualified special education child under the special education scholarship pilot program in each school year shall be the least of the following:

(A) The amount of fees charged for that school year by the alternative public provider or registered private provider;

(B) The sum of the amounts calculated under divisions (B)(1) and (2) of this section:

(1) The sum of the formula amount 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 formula amount times the applicable special education weight for the child's disability;

(C) Twenty thousand dollars.

Sec. 3310.57. The department of education shall make periodic payments to an alternative public provider or a registered private provider on behalf of an eligible applicant for services for each qualified special education child for whom a scholarship has been awarded. The total of all payments made on behalf of an applicant in each school year shall not exceed the amount calculated for the child under section 3310.56 of the Revised Code.

The scholarship amount shall be proportionately reduced in the case of a child who is not enrolled in the special education program of an alternative public provider or a registered private provider for the entire school year.

In accordance with division (A) of section 3310.62 of the Revised Code, the department shall make no payments on behalf of an applicant for a first-time scholarship for a qualified special education child while any administrative or judicial mediation or proceedings with respect to the content of the child's individualized education program are pending.

Sec. 3310.58. No nonpublic school or entity shall receive payments for services for a qualified special education child under the special education scholarship pilot program until the school or entity registers with the

superintendent of public instruction. The superintendent shall register and designate as a registered private provider any nonpublic school or entity that meets the following requirements:

(A) The special education program operated by the school or entity meets the minimum education standards established by the state board of education.

(B) The school or entity complies with the antidiscrimination provisions of 42 U.S.C. 2000d, regardless of whether the school or entity receives federal financial assistance.

(C) If the school or entity is not chartered by the state board under section 3301.16 of the Revised Code, the school or entity agrees to comply with section 3319.39 of the Revised Code as if it were a school district.

(D) The teaching and nonteaching professionals employed by the school or entity, or employed by any subcontractors of the school or entity, hold credentials determined by the state board to be appropriate for the qualified special education children enrolled in the special education program it operates.

(E) The school or entity meets applicable health and safety standards established by law for school buildings.

(F) The school or entity agrees to retain on file documentation as required by the department of education.

(G) The school or entity demonstrates fiscal soundness to the satisfaction of the department.

(H) The school or entity agrees to meet other requirements established by rule of the state board under section 3310.63 of the Revised Code.

Sec. 3310.59. The superintendent of public instruction shall revoke the registration of any school or entity if, after a hearing, the superintendent determines that the school or entity is in violation of any provision of section 3310.58 of the Revised Code.

Sec. 3310.60. A qualified special education child attending a special education program at an alternative public provider or a registered private provider with a scholarship shall be entitled to transportation to and from that program in the manner prescribed by law for any child with a disability attending a nonpublic special education program.

Sec. 3310.61. An eligible applicant on behalf of a child who currently attends a public special education program under a contract, compact, or other bilateral agreement, or on behalf of a child who currently attends a community school, shall not be prohibited from applying for and accepting a scholarship so that the applicant may withdraw the child from that program or community school and use the scholarship for the child to attend a special

education program operated by an alternative public provider or a registered private provider.

Sec. 3310.62. (A) A scholarship under the special education scholarship pilot program shall not be awarded for the first time to an eligible applicant on behalf of a qualified special education 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 by the child's school district of residence if different, or while any administrative or judicial mediation or proceedings with respect to the content of that individualized education program are pending.

(B) Development of individualized education programs subsequent to the one developed for the child the first time a scholarship was awarded on behalf of the child and the prosecuting, by the eligible applicant on behalf of the child, of administrative or judicial mediation or proceedings with respect to any of those subsequent individualized education programs do not affect the applicant's and the child's continued eligibility for scholarship payments.

(C) In the case of any child for whom a scholarship has been awarded, if the school district in which the child is entitled to attend school has agreed to provide some services for the child under an agreement entered into with the eligible applicant or with the alternative public provider or registered private provider implementing the child's individualized education program, or if the district is required by law to provide some services for the child, including transportation services under sections 3310.60 and 3327.01 of the Revised Code, the district shall not discontinue the services it is providing pending completion of any administrative proceedings regarding those services. The prosecuting, by the eligible applicant on behalf of the child, of administrative proceedings regarding the services provided by the district does not affect the applicant's and the child's continued eligibility for scholarship payments.

(D) The department of education shall continue to make payments to the alternative public provider or registered private provider on behalf of the eligible applicant under section 3310.57 of the Revised Code while either of the following are pending:

(1) Administrative or judicial mediation or proceedings with respect to a subsequent individualized education program for the child referred to in division (B) of this section;

(2) Administrative proceedings regarding services provided by the district under division (C) of this section.

Sec. 3310.63. The state board of education shall adopt rules in accordance with Chapter 119. of the Revised Code prescribing procedures

necessary to implement sections 3310.51 to 3310.62 of the Revised Code including, but not limited to, procedures for parents to apply for scholarships, standards for registered private providers, and procedures for registration of private providers.

Sec. 3311.24. (A)(1) Except as provided in division (B) of this section, ~~if the board of education of a city, exempted village, or local school district deems it advisable~~ shall file with the state board of education a proposal to transfer territory from such district to an adjoining city, exempted village, or local school district, ~~or if a~~ in any of the following circumstances:

(a) The district board deems the transfer advisable;

(b) A petition, signed by seventy-five per cent of the qualified electors residing within that portion of a city, exempted village, or local school district proposed to be transferred voting at the last general election, requests such a transfer, the;

(c) If no qualified electors reside in that portion of the district proposed to be transferred, a petition, signed by seventy-five per cent of the owners of parcels of real property on the tax duplicate within that portion of the district, requests such a transfer.

(2) The board of education of the district in which such proposal originates shall file such proposal, together with a map showing the boundaries of the territory proposed to be transferred, with the state board of education prior to the first day of April in any even-numbered year. The state board of education may, if it is advisable, provide for a hearing in any suitable place in any of the school districts affected by such proposed transfer of territory. The state board of education or its representatives shall preside at any such hearing.

(3) A board of education of a city, exempted village, or local school district that receives a petition of transfer signed by electors of the district under this division (A)(1)(b) of this section shall cause the board of elections to check the sufficiency of signatures on the petition. A board of education of a city, exempted village, or local school district that receives a petition of transfer signed by owners of parcels of real property under division (A)(1)(c) of this section shall cause the county auditor to check the sufficiency of signatures on the petition.

(4) Not later than the first day of September the state board of education shall either approve or disapprove a proposed transfer of territory filed with it as provided by this section and shall notify, in writing, the boards of education of the districts affected by such proposed transfer of territory of its decision.

If the decision of the state board of education is an approval of the

proposed transfer of territory then the board of education of the district in which the territory is located shall, within thirty days after receiving the state board of education's decision, adopt a resolution transferring the territory and shall forthwith submit a copy of such resolution to the treasurer of the board of education of the city, exempted village, or local school district to which the territory is transferred. Such transfer shall not be complete however, until:

~~(1)~~(a) A resolution accepting the transfer has been passed by a majority vote of the full membership of the board of education of the city, exempted village, or local school district to which the territory is transferred;

~~(2)~~(b) An equitable division of the funds and indebtedness between the districts involved has been made by the board of education making the transfer;

~~(3)~~(c) A map showing the boundaries of the territory transferred has been filed, by the board of education accepting the transfer, with the county auditor of each county affected by the transfer.

When such transfer is complete the legal title of the school property in the territory transferred shall be vested in the board of education or governing board of the school district to which the territory is transferred.

(B) Whenever the transfer of territory pursuant to this section is initiated by a board of education, the board shall, before filing a proposal for transfer with the state board of education under this section, make a good faith effort to negotiate the terms of transfer with any other school district whose territory would be affected by the transfer. Before the state board may hold a hearing on the transfer, or approve or disapprove any such transfer, it must receive the following:

(1) A resolution requesting approval of the transfer, passed by the school district submitting the proposal;

(2) Evidence determined to be sufficient by the state board to show that good faith negotiations have taken place or that the district requesting the transfer has made a good faith effort to hold such negotiations;

(3) If any negotiations took place, a statement signed by all boards that participated in the negotiations, listing the terms agreed on and the points on which no agreement could be reached.

Negotiations held pursuant to this section shall be governed by the rules adopted by the state board under division (D) of section 3311.06 of the Revised Code. Districts involved in a transfer under division (B) of this section may agree to share revenues from the property included in the territory to be transferred, establish cooperative programs between the participating districts, and establish mechanisms for the settlement of any

future boundary disputes.

Sec. 3311.51. Nothing in this section or sections 3311.50 and 5705.215 of the Revised Code shall be construed to permit or require the education of ~~handicapped~~ children with disabilities other than in the manner required by Chapter 3323. of the Revised Code. To the maximum extent appropriate, ~~handicapped~~ children with disabilities shall be educated with ~~nonhandicapped~~ nondisabled children.

The governing board that is taxing authority of a county school financing district that levies a tax pursuant to section 5705.215 of the Revised Code may, by resolution adopted by majority vote of its members, expend the proceeds of such tax for the benefit of school districts with territory in the county school financing district in accordance with this section and the resolution to levy the tax.

(A) In the case of a district created for special education, as described in division (B)(1) of section 3311.50 of the Revised Code, the proceeds may be expended either:

(1) To pay for operating costs and permanent improvements necessary to implement and maintain special education programs and related services in accordance with a contract or agreement entered into under section 3313.92 or 3323.08 of the Revised Code;

(2) To make grants or otherwise distribute funds to boards of education with territory in the county school financing district for special education programs and related services.

(B) In the case of a district created for the provision of specified educational programs and services as described in division (B)(2) of section 3311.50 of the Revised Code, the proceeds may be expended either:

(1) To pay for operating costs and permanent improvements necessary to implement and maintain specified educational programs in accordance with a contract or agreement entered into under section 3313.812, 3313.842, or division (A)(3) of section 3313.90 of the Revised Code;

(2) To make grants or otherwise distribute funds for those programs to boards of education with territory in the county school financing district.

(C) In the case of a district created for the making of permanent improvements under division (B)(3) of section 3311.50 of the Revised Code, the proceeds shall be expended either:

(1) To pay for the permanent improvements in accordance with a contract entered into under section 3313.92 of the Revised Code;

(2) To make grants or otherwise distribute funds for those permanent improvements to boards of education with territory in the county school financing district.

Sec. 3311.521. (A) The boards of education of any two or more contiguous city, exempted village, or local school districts may establish a cooperative education school district in accordance with this section for the purpose of operating a joint high school in lieu of each of such boards operating any high school. Such a cooperative education school district shall only be established pursuant to the adoption of identical resolutions in accordance with this section within a sixty-day period by a majority of the members of the board of education of all such boards. Upon the adoption of all such resolutions, a copy of each resolution shall be filed with the state board of education.

The territory of any cooperative education school district established pursuant to this section shall consist of the territory of all of the school districts whose boards of education adopt identical resolutions under this section.

(B) Any resolutions adopted under division (A) of this section shall include all of the following:

(1) Provision for the date on which the cooperative district will be created, which date shall be the first day of July in the year specified in the resolution;

(2) Provision for the composition, selection, and terms of office of the board of education of the cooperative district, which provision shall include but not necessarily be limited to both of the following:

(a) A requirement that the board include at least two members selected from or by the members of the board of education of each city, local, and exempted village school district within the territory of the cooperative district;

(b) Specification of the date by which the initial members of the board must be selected, which date shall be the same as the date specified pursuant to division (B)(1) of this section.

(3) Provision for the selection of a superintendent and treasurer of the cooperative school district, which provision shall require one of the following:

(a) The selection of one person as both the superintendent and treasurer of the cooperative district, which provision may require such person to be the superintendent or treasurer of any city, local, or exempted village school district within the territory of the cooperative district;

(b) The selection of one person as the superintendent and another person as the treasurer of the cooperative district, which provision may require either one or both such persons to be superintendents or treasurers of any city, local, or exempted village school district within the territory of the

cooperative district.

(4) A statement of the high school education program the board of education of the cooperative education school district will conduct in lieu of any high school education program being operated by the boards of education of the city, local, and exempted village school districts within the territory of the cooperative district, which statement shall include but not necessarily be limited to the high school grade levels to be operated in the program, the timetable for commencing operation of the program, and the facilities proposed to be used or constructed to be used by the program;

(5) A statement that the boards of education of the city, local, and exempted village school districts within the territory of the cooperative district will not operate any high school education program for the grade levels operated by the cooperative district;

(6) A statement of how special education and related services will be provided in accordance with Chapter 3323. of the Revised Code to the ~~handicapped~~ children with disabilities who are identified by each city, exempted village, or local school district with territory in the cooperative district and who are in the grade levels to be operated by the cooperative district;

(7) A statement of how transportation of students to and from school will be provided in the cooperative district, which statement shall include but not be necessarily limited to both of the following:

(a) How special education students will be transported as required by their individualized education program adopted pursuant to section 3323.08 of the Revised Code;

(b) Whether transportation to and from school will be provided to any other students of the cooperative district and, if so, the manner in which this transportation will be provided.

(8) A statement of the annual amount, or the method for determining the annual amount, of funds or services or facilities that each city, local, and exempted village school district is required to pay to or provide for the use of the board of education of the cooperative education school district;

(9) Provision for adopting amendments to the provisions adopted pursuant to divisions (B)(3) to (8) of this section, which provision shall require that any such amendments comply with divisions (B)(3) to (8) of this section.

(C) Upon the adoption of identical resolutions in accordance with this section, the cooperative education school district and board of education of that district specified in and selected in accordance with such resolutions shall be established on the date specified in the resolutions. Upon the

establishment of the district and board, the board of the cooperative district shall give written notice of the creation of the district to the county auditor and the board of elections of each county having any territory in the new district.

Sec. 3313.532. (A) Any person twenty-two or more years of age and enrolled in an adult high school continuation program established pursuant to section 3313.531 of the Revised Code may request the board of education operating the program to conduct an evaluation in accordance with division (C) of this section.

(B) Any applicant to a board of education for a diploma of adult education under division (B) of section 3313.611 of the Revised Code may request the board to conduct an evaluation in accordance with division (C) of this section.

(C) Upon the request of any person pursuant to division (A) or (B) of this section, the board of education to which the request is made shall evaluate the person to determine whether the person is ~~handicapped~~ disabled, in accordance with rules adopted by the state board of education. If the evaluation indicates that the person is ~~handicapped~~ disabled, the board shall determine whether to excuse the person from taking any of the tests required by division (B) of section 3301.0710 of the Revised Code as a requirement for receiving a diploma under section 3313.611 of the Revised Code. The board may require the person to take an alternate assessment in place of any test from which the person is so excused.

Sec. 3313.537. (A) As used in this section, "extracurricular activity" means a pupil activity program that a school or school district operates and is not included in the school district's graded course of study, including an interscholastic extracurricular activity that a school or school district sponsors or participates in and that has participants from more than one school or school district.

(B)(1) A student in grades seven to twelve who is enrolled in a community school established under Chapter 3314. of the Revised Code that is sponsored by the city, local, or exempted village school district in which the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code shall be afforded the opportunity to participate in any extracurricular activities offered at the traditional public school that is operated by the school district and to which the student otherwise would be assigned. If more than one such school operated by the school district serves the student's grade level, the student shall be afforded the opportunity to participate in any extracurricular activities offered at the school to which the student would be assigned by the district superintendent pursuant to section

3319.01 of the Revised Code.

(2) A student who is enrolled in a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code shall be afforded the opportunity to participate in any extracurricular activities offered at the traditional public school that is operated by the school district in which the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code and to which the student otherwise would be assigned. If more than one such school operated by the school district serves the student's grade level, the student shall be afforded the opportunity to participate in any extracurricular activities offered at the school to which the student would be assigned by the district superintendent pursuant to section 3319.01 of the Revised Code.

(C) In order to participate in any extracurricular activity under this section, the student shall fulfill the same academic, nonacademic, and financial requirements as any other participant, including the rules and policies adopted by the school district under section 3313.535 of the Revised Code. The school district board of education may require ~~the~~ a community school student to enroll and participate in no more than one academic course at the school offering the extracurricular activity as a condition to participating in the activity. In that case, the board shall admit students seeking to enroll in an academic course to fulfill the requirement as space allows after first enrolling students assigned to that school.

(D) No school or school district shall impose fees for a student to participate under this section that exceed any fees charged to other students participating in the same extracurricular activity.

(E) No school district, interscholastic conference, or organization that regulates interscholastic conferences or events shall require a student who is eligible to participate in extracurricular activities under this section to meet eligibility requirements that conflict with this section.

Sec. 3313.603. (A) As used in this section:

(1) "One unit" means a minimum of one hundred twenty hours of course instruction, except that for a laboratory course, "one unit" means a minimum of one hundred fifty hours of course instruction.

(2) "One-half unit" means a minimum of sixty hours of course instruction, except that for physical education courses, "one-half unit" means a minimum of one hundred twenty hours of course instruction.

(B) Beginning September 15, 2001, except as required in division (C) of this section and division (C) of section 3313.614 of the Revised Code, the requirements for graduation from every high school shall include twenty units earned in grades nine through twelve and shall be distributed as

follows:

- (1) English language arts, four units;
- (2) Health, one-half unit;
- (3) Mathematics, three units;
- (4) Physical education, one-half unit;
- (5) Science, two units until September 15, 2003, and three units thereafter, which at all times shall include both of the following:
 - (a) Biological sciences, one unit;
 - (b) Physical sciences, one unit.
- (6) Social studies, three units, which shall include both of the following:
 - (a) American history, one-half unit;
 - (b) American government, one-half unit.
- (7) Elective units, seven units until September 15, 2003, and six units thereafter.

Each student's electives shall include at least one unit, or two half units, chosen from among the areas of business/technology, fine arts, and/or foreign language.

(C) Beginning with students who enter ninth grade for the first time on or after July 1, 2010, except as provided in divisions (D) to (F) of this section, the requirements for graduation from every public and chartered nonpublic high school shall include twenty units that are designed to prepare students for the workforce and college. The units shall be distributed as follows:

- (1) English language arts, four units;
- (2) Health, one-half unit;
- (3) Mathematics, four units, which shall include one unit of algebra II or the equivalent of algebra II;
- (4) Physical education, one-half unit;
- (5) Science, three units with inquiry-based laboratory experience that engages students in asking valid scientific questions and gathering and analyzing information, which shall include the following, or their equivalent:
 - (a) Physical sciences, one unit;
 - (b) ~~Biology~~ Life sciences, one unit;
 - (c) Advanced study in one or more of the following sciences, one unit:
 - (i) Chemistry, physics, or other physical science;
 - (ii) Advanced biology or other life science;
 - (iii) Astronomy, physical geology, or other earth or space science.
- (6) Social studies, three units, which shall include both of the following:
 - (a) American history, one-half unit;

(b) American government, one-half unit.

Each school shall integrate the study of economics and financial literacy, as expressed in the social studies academic content standards adopted by the state board of education under section 3301.079 of the Revised Code, into one or more existing social studies credits required under division (C)(6) of this section, or into the content of another class, so that every high school student receives instruction in those concepts. In developing the curriculum required by this paragraph, schools shall use available public-private partnerships and resources and materials that exist in business, industry, and through the centers for economics education at institutions of higher education in the state.

(7) Five units consisting of one or any combination of foreign language, fine arts, business, career-technical education, family and consumer sciences, technology, agricultural education, or English language arts, mathematics, science, or social studies courses not otherwise required under division (C) of this section.

Ohioans must be prepared to apply increased knowledge and skills in the workplace and to adapt their knowledge and skills quickly to meet the rapidly changing conditions of the twenty-first century. National studies indicate that all high school graduates need the same academic foundation, regardless of the opportunities they pursue after graduation. The goal of Ohio's system of elementary and secondary education is to prepare all students for and seamlessly connect all students to success in life beyond high school graduation, regardless of whether the next step is entering the workforce, beginning an apprenticeship, engaging in post-secondary training, serving in the military, or pursuing a college degree.

The Ohio core curriculum is the standard expectation for all students entering ninth grade for the first time at a public or chartered nonpublic high school on or after July 1, 2010. A student may satisfy this expectation through a variety of methods, including, but not limited to, integrated, applied, career-technical, and traditional coursework.

Whereas teacher quality is essential for student success in completing the Ohio core curriculum, the general assembly shall appropriate funds for strategic initiatives designed to strengthen schools' capacities to hire and retain highly qualified teachers in the subject areas required by the curriculum. Such initiatives are expected to require an investment of \$120,000,000 over five years.

Stronger coordination between high schools and institutions of higher education is necessary to prepare students for more challenging academic endeavors and to lessen the need for academic remediation in college,

thereby reducing the costs of higher education for Ohio's students, families, and the state. The state board of education, the Ohio board of regents, and the partnership for continued learning shall develop policies to ensure that only in rare instances will students who complete the Ohio core curriculum require academic remediation after high school.

School districts, community schools, and chartered nonpublic schools shall integrate technology into learning experiences whenever practicable across the curriculum in order to maximize efficiency, enhance learning, and prepare students for success in the technology-driven twenty-first century. Districts and schools may use distance and web-based course delivery as a method of providing or augmenting all instruction required under this division, including laboratory experience in science. Districts and schools shall whenever practicable utilize technology access and electronic learning opportunities provided by the eTech Ohio commission, the Ohio learning network, education technology centers, public television stations, and other public and private providers.

(D) Except as provided in division (E) of this section, a student who enters ninth grade on or after July 1, 2010, and before July 1, 2014, may qualify for graduation from a public or chartered nonpublic high school even though the student has not completed the Ohio core curriculum prescribed in division (C) of this section if all of the following conditions are satisfied:

(1) After the student has attended high school for two years, as determined by the school, the student and the student's parent, guardian, or custodian sign and file with the school a written statement asserting the parent's, guardian's, or custodian's consent to the student's graduating without completing the Ohio core curriculum and acknowledging that one consequence of not completing the Ohio core curriculum is ineligibility to enroll in most state universities in Ohio without further coursework.

(2) The student and parent, guardian, or custodian fulfill any procedural requirements the school stipulates to ensure the student's and parent's, guardian's, or custodian's informed consent and to facilitate orderly filing of statements under division (D)(1) of this section.

(3) The student and the student's parent, guardian, or custodian and a representative of the student's high school jointly develop an individual career plan for the student that specifies the student matriculating to a two-year degree program, acquiring a business and industry credential, or entering an apprenticeship.

(4) The student's high school provides counseling and support for the student related to the plan developed under division (D)(3) of this section during the remainder of the student's high school experience.

(5) The student successfully completes, at a minimum, the curriculum prescribed in division (B) of this section.

The partnership for continued learning, in collaboration with the department of education and the Ohio board of regents, shall analyze student performance data to determine if there are mitigating factors that warrant extending the exception permitted by division (D) of this section to high school classes beyond those entering ninth grade before July 1, 2014. The partnership shall submit its findings and any recommendations not later than August 1, 2014, to the speaker and minority leader of the house of representatives, the president and minority leader of the senate, the chairpersons and ranking minority members of the standing committees of the house of representatives and the senate that consider education legislation, the state board of education, and the superintendent of public instruction.

(E) Each school district and chartered nonpublic school retains the authority to require an even more rigorous minimum curriculum for high school graduation than specified in division (B) or (C) of this section. A school district board of education, through the adoption of a resolution, or the governing authority of a chartered nonpublic school may stipulate any of the following:

(1) A minimum high school curriculum that requires more than twenty units of academic credit to graduate;

(2) An exception to the district's or school's minimum high school curriculum that is comparable to the exception provided in division (D) of this section but with additional requirements, which may include a requirement that the student successfully complete more than the minimum curriculum prescribed in division (B) of this section;

(3) That no exception comparable to that provided in division (D) of this section is available.

(F) A student enrolled in a dropout prevention and recovery program, which program has received a waiver from the department of education, may qualify for graduation from high school by successfully completing a competency-based instructional program administered by the dropout prevention and recovery program in lieu of completing the Ohio core curriculum prescribed in division (C) of this section. The department shall grant a waiver to a dropout prevention and recovery program, within sixty days after the program applies for the waiver, if the program meets all of the following conditions:

(1) The program serves only students not younger than sixteen years of age and not older than twenty-one years of age.

(2) The program enrolls students who, at the time of their initial enrollment, either, or both, are at least one grade level behind their cohort age groups or experience crises that significantly interfere with their academic progress such that they are prevented from continuing their traditional programs.

(3) The program requires students to attain at least the applicable score designated for each of the tests prescribed under division (B) of section 3301.0710 of the Revised Code.

(4) The program develops an individual career plan for the student that specifies the student's matriculating to a two-year degree program, acquiring a business and industry credential, or entering an apprenticeship.

(5) The program provides counseling and support for the student related to the plan developed under division (F)(4) of this section during the remainder of the student's high school experience.

(6) The program requires the student and the student's parent, guardian, or custodian to sign and file, in accordance with procedural requirements stipulated by the program, a written statement asserting the parent's, guardian's, or custodian's consent to the student's graduating without completing the Ohio core curriculum and acknowledging that one consequence of not completing the Ohio core curriculum is ineligibility to enroll in most state universities in Ohio without further coursework.

(7) Prior to receiving the waiver, the program has submitted to the department an instructional plan that demonstrates how the academic content standards adopted by the state board of education under section 3301.079 of the Revised Code will be taught and assessed.

If the department does not act either to grant the waiver or to reject the program application for the waiver within sixty days as required under this section, the waiver shall be considered to be granted.

(G) Every high school may permit students below the ninth grade to take advanced work for high school credit. A high school shall count such advanced work toward the graduation requirements of division (B) or (C) of this section if the advanced work was both:

(1) Taught by a person who possesses a license or certificate issued under section 3301.071, 3319.22, or 3319.222 of the Revised Code that is valid for teaching high school;

(2) Designated by the board of education of the city, local, or exempted village school district, the board of the cooperative education school district, or the governing authority of the chartered nonpublic school as meeting the high school curriculum requirements.

Each high school shall record on the student's high school transcript all

high school credit awarded under division (G) of this section. In addition, if the student completed a seventh- or eighth-grade fine arts course described in division (K) of this section and the course qualified for high school credit under that division, the high school shall record that course on the student's high school transcript.

(H) The department shall make its individual academic career plan available through its Ohio career information system web site for districts and schools to use as a tool for communicating with and providing guidance to students and families in selecting high school courses.

(I) Units earned in English language arts, mathematics, science, and social studies that are delivered through integrated academic and career-technical instruction are eligible to meet the graduation requirements of division (B) or (C) of this section.

(J) The state board of education, in consultation with the Ohio board of regents and the partnership for continued learning, shall adopt a statewide plan implementing methods for students to earn units of high school credit based on a demonstration of subject area competency, instead of or in combination with completing hours of classroom instruction. The state board shall adopt the plan not later than March 31, 2009, and commence phasing in the plan during the 2009-2010 school year. The plan shall include a standard method for recording demonstrated proficiency on high school transcripts. Each school district, community school, and chartered nonpublic school shall comply with the state board's plan adopted under this division and award units of high school credit in accordance with the plan. The state board may adopt existing methods for earning high school credit based on a demonstration of subject area competency as necessary prior to the 2009-2010 school year.

(K) This division does not apply to students who qualify for graduation from high school under division (D) or (F) of this section, or to students pursuing a career-technical instructional track as determined by the school district board of education or the chartered nonpublic school's governing authority. Nevertheless, the general assembly encourages such students to consider enrolling in a fine arts course as an elective.

Beginning with students who enter ninth grade for the first time on or after July 1, 2010, each student enrolled in a public or chartered nonpublic high school shall complete two semesters or the equivalent of fine arts to graduate from high school. The coursework may be completed in any of grades seven to twelve. Each student who completes a fine arts course in grade seven or eight may elect to count that course toward the five units of electives required for graduation under division (C)(7) of this section, if the

course satisfied the requirements of division (G) of this section. In that case, the high school shall award the student high school credit for the course and count the course toward the five units required under division (C)(7) of this section. If the course in grade seven or eight did not satisfy the requirements of division (G) of this section, the high school shall not award the student high school credit for the course but shall count the course toward the two semesters or the equivalent of fine arts required by this division.

(L) Notwithstanding anything to the contrary in this section, the board of education of each school district and the governing authority of each chartered nonpublic school may adopt a policy to excuse from the high school physical education requirement each student who, during high school, has participated in interscholastic athletics, marching band, or cheerleading for at least two full seasons. If the board or authority adopts such a policy, the board or authority shall not require the student to complete any physical education course as a condition to graduate. However, the student shall be required to complete one-half unit, consisting of at least sixty hours of instruction, in another course of study.

Sec. 3313.615. This section shall apply to diplomas awarded after September 15, 2006, to students who are required to take the five Ohio graduation tests prescribed by division (B) of section 3301.0710 of the Revised Code.

(A) As an alternative to the requirement that a person attain the scores designated under division (B) of section 3301.0710 of the Revised Code on all the tests required under that division in order to be eligible for a high school diploma or an honors diploma under sections 3313.61, 3313.612, or 3325.08 of the Revised Code or for a diploma of adult education under section 3313.611 of the Revised Code, a person who has attained at least the applicable scores designated under division (B) of section 3301.0710 of the Revised Code on all but one of the tests required by that division and from which the person was not excused or exempted, pursuant to division ~~(H)~~ or (L) of section 3313.61, division (B)(1) of section 3313.612, or section 3313.532 of the Revised Code, may be awarded a diploma or honors diploma if the person has satisfied all of the following conditions:

(1) On the one test required under division (B) of section 3301.0710 of the Revised Code for which the person failed to attain the designated score, the person missed that score by ten points or less;

(2) Has a ninety-seven per cent school attendance rate in each of the last four school years, excluding any excused absences;

(3) Has not been expelled from school under section 3313.66 of the Revised Code in any of the last four school years;

(4) Has a grade point average of at least 2.5 out of 4.0, or its equivalent as designated in rules adopted by the state board of education, in the subject area of the test required under division (B) of section 3301.0710 of the Revised Code for which the person failed to attain the designated score;

(5) Has completed the high school curriculum requirements prescribed in section 3313.603 of the Revised Code or has qualified under division (D) or (F) of that section;

(6) Has taken advantage of any intervention programs provided by the school district or school in the subject area described in division (A)(4) of this section and has a ninety-seven per cent attendance rate, excluding any excused absences, in any of those programs that are provided at times beyond the normal school day, school week, or school year or has received comparable intervention services from a source other than the school district or school;

(7) Holds a letter recommending graduation from each of the person's high school teachers in the subject area described in division (A)(4) of this section and from the person's high school principal.

(B) The state board of education shall establish rules designating grade point averages equivalent to the average specified in division (A)(4) of this section for use by school districts and schools with different grading systems.

(C) Any student who is exempt from attaining the applicable score designated under division (B) of section 3301.0710 of the Revised Code on the Ohio graduation test in social studies pursuant to division (H) of section 3313.61 or division (B)(2) of section 3313.612 of the Revised Code shall not qualify for a high school diploma under this section, unless, notwithstanding the exemption, the student attains the applicable score on that test. If the student attains the applicable score on that test, the student may qualify for a diploma under this section in the same manner as any other student who is required to take the five Ohio graduation tests prescribed by division (B) of section 3301.0710 of the Revised Code.

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 5103.22 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~~ Preschool child with a disability ~~means a handicapped child, as defined by division (A) of~~ has the same meaning as in 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 with disabilities.

(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 with a disability 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 with a disability 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 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) 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 2151.362 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 department of education has determined, pursuant to division (A)(2) of section 2151.362 of the Revised Code, that a school district other than the one named in the

~~court's initial order, or in a prior determination of the department, is responsible to bear the cost of educating the child pursuant to division (A)(2) of section 2151.362 of the Revised Code, the district so determined to shall 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, 3313.716, and 3313.718 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. 3313.646. (A) The board of education of a school district, except a cooperative education district established pursuant to section 3311.521 of the Revised Code, may establish and operate a preschool program ~~except that no such program shall be established after March 17, 1989, unless both of the following apply at the time the program is established:~~

~~(1) The, provided the~~ board has demonstrated a need for the program-

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

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

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

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

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

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

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

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

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

program.

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

Sec. 3313.66. (A) Except as provided under division (B)(2) of this section, the superintendent of schools of a city, exempted village, or local school district, or the principal of a public school may suspend a pupil from school for not more than ten school days. The board of education of a city, exempted village, or local school district may adopt a policy granting assistant principals and other administrators the authority to suspend a pupil from school for a period of time as specified in the policy of the board of education, not to exceed ten school days. If at the time a suspension is imposed there are fewer than ten school days remaining in the school year in which the incident that gives rise to the suspension takes place, the superintendent may apply any remaining part or all of the period of the suspension to the following school year. Except in the case of a pupil given an in-school suspension, no pupil shall be suspended unless prior to the suspension such superintendent or principal does both of the following:

(1) Gives the pupil written notice of the intention to suspend the pupil and the reasons for the intended suspension and, if the proposed suspension is based on a violation listed in division (A) of section 3313.662 of the Revised Code and if the pupil is sixteen years of age or older, includes in the notice a statement that the superintendent may seek to permanently exclude the pupil if the pupil is convicted of or adjudicated a delinquent child for that violation;

(2) Provides the pupil an opportunity to appear at an informal hearing before the principal, assistant principal, superintendent, or superintendent's designee and challenge the reason for the intended suspension or otherwise to explain the pupil's actions.

(B)(1) Except as provided under division (B)(2), (3), or (4) of this section, the superintendent of schools of a city, exempted village, or local school district may expel a pupil from school for a period not to exceed the greater of eighty school days or the number of school days remaining in the semester or term in which the incident that gives rise to the expulsion takes place, unless the expulsion is extended pursuant to division (F) of this section. If at the time an expulsion is imposed there are fewer than eighty school days remaining in the school year in which the incident that gives rise to the expulsion takes place, the superintendent may apply any remaining part or all of the period of the expulsion to the following school

year.

(2)(a) Unless a pupil is permanently excluded pursuant to section 3313.662 of the Revised Code, the superintendent of schools of a city, exempted village, or local school district shall expel a pupil from school for a period of one year for bringing a firearm to a school operated by the board of education of the district or onto any other property owned or controlled by the board, except that the superintendent may reduce this requirement on a case-by-case basis in accordance with the policy adopted by the board under section 3313.661 of the Revised Code.

(b) The superintendent of schools of a city, exempted village, or local school district may expel a pupil from school for a period of one year for bringing a firearm to an interscholastic competition, an extracurricular event, or any other school program or activity that is not located in a school or on property that is owned or controlled by the district. The superintendent may reduce this disciplinary action on a case-by-case basis in accordance with the policy adopted by the board under section 3313.661 of the Revised Code.

(c) Any expulsion pursuant to division (B)(2) of this section shall extend, as necessary, into the school year following the school year in which the incident that gives rise to the expulsion takes place. As used in this division, "firearm" has the same meaning as provided pursuant to the "Gun-Free Schools Act of 1994," ~~408~~ 115 Stat. ~~270~~ 1762, 20 U.S.C. ~~8001(a)(2)~~ 7151.

(3) The board of education of a city, exempted village, or local school district may adopt a resolution authorizing the superintendent of schools to expel a pupil from school for a period not to exceed one year for bringing a knife to a school operated by the board, onto any other property owned or controlled by the board, or to an interscholastic competition, an extracurricular event, or any other program or activity sponsored by the school district or in which the district is a participant, or for possessing a firearm or knife at a school, on any other property owned or controlled by the board, or at an interscholastic competition, an extracurricular event, or any other school program or activity, which firearm or knife was initially brought onto school board property by another person. The resolution may authorize the superintendent to extend such an expulsion, as necessary, into the school year following the school year in which the incident that gives rise to the expulsion takes place.

(4) The board of education of a city, exempted village, or local school district may adopt a resolution establishing a policy under section 3313.661 of the Revised Code that authorizes the superintendent of schools to expel a

pupil from school for a period not to exceed one year for committing an act that is a criminal offense when committed by an adult and that results in serious physical harm to persons as defined in division (A)(5) of section 2901.01 of the Revised Code or serious physical harm to property as defined in division (A)(6) of section 2901.01 of the Revised Code while the pupil is at school, on any other property owned or controlled by the board, or at an interscholastic competition, an extracurricular event, or any other school program or activity. Any expulsion under this division shall extend, as necessary, into the school year following the school year in which the incident that gives rise to the expulsion takes place.

(5) The board of education of any city, exempted village, or local school district may adopt a resolution establishing a policy under section 3313.661 of the Revised Code that authorizes the superintendent of schools to expel a pupil from school for a period not to exceed one year for making a bomb threat to a school building or to any premises at which a school activity is occurring at the time of the threat. Any expulsion under this division shall extend, as necessary, into the school year following the school year in which the incident that gives rise to the expulsion takes place.

(6) No pupil shall be expelled under division (B)(1), (2), (3), (4), or (5) of this section unless, prior to the pupil's expulsion, the superintendent does both of the following:

(a) Gives the pupil and the pupil's parent, guardian, or custodian written notice of the intention to expel the pupil;

(b) Provides the pupil and the pupil's parent, guardian, custodian, or representative an opportunity to appear in person before the superintendent or the superintendent's designee to challenge the reasons for the intended expulsion or otherwise to explain the pupil's actions.

The notice required in this division shall include the reasons for the intended expulsion, notification of the opportunity of the pupil and the pupil's parent, guardian, custodian, or representative to appear before the superintendent or the superintendent's designee to challenge the reasons for the intended expulsion or otherwise to explain the pupil's action, and notification of the time and place to appear. The time to appear shall not be earlier than three nor later than five school days after the notice is given, unless the superintendent grants an extension of time at the request of the pupil or the pupil's parent, guardian, custodian, or representative. If an extension is granted after giving the original notice, the superintendent shall notify the pupil and the pupil's parent, guardian, custodian, or representative of the new time and place to appear. If the proposed expulsion is based on a violation listed in division (A) of section 3313.662 of the Revised Code and

if the pupil is sixteen years of age or older, the notice shall include a statement that the superintendent may seek to permanently exclude the pupil if the pupil is convicted of or adjudicated a delinquent child for that violation.

(7) A superintendent of schools of a city, exempted village, or local school district shall initiate expulsion proceedings pursuant to this section with respect to any pupil who has committed an act warranting expulsion under the district's policy regarding expulsion even if the pupil has withdrawn from school for any reason after the incident that gives rise to the hearing but prior to the hearing or decision to impose the expulsion. If, following the hearing, the pupil would have been expelled for a period of time had the pupil still been enrolled in the school, the expulsion shall be imposed for the same length of time as on a pupil who has not withdrawn from the school.

(C) If a pupil's presence poses a continuing danger to persons or property or an ongoing threat of disrupting the academic process taking place either within a classroom or elsewhere on the school premises, the superintendent or a principal or assistant principal may remove a pupil from curricular activities or from the school premises, and a teacher may remove a pupil from curricular activities under the teacher's supervision, without the notice and hearing requirements of division (A) or (B) of this section. As soon as practicable after making such a removal, the teacher shall submit in writing to the principal the reasons for such removal.

If a pupil is removed under this division from a curricular activity or from the school premises, written notice of the hearing and of the reason for the removal shall be given to the pupil as soon as practicable prior to the hearing, which shall be held within three school days from the time the initial removal is ordered. The hearing shall be held in accordance with division (A) of this section unless it is probable that the pupil may be subject to expulsion, in which case a hearing in accordance with division (B) of this section shall be held, except that the hearing shall be held within three school days of the initial removal. The individual who ordered, caused, or requested the removal to be made shall be present at the hearing.

If the superintendent or the principal reinstates a pupil in a curricular activity under the teacher's supervision prior to the hearing following a removal under this division, the teacher, upon request, shall be given in writing the reasons for such reinstatement.

(D) The superintendent or principal, within one school day after the time of a pupil's expulsion or suspension, shall notify in writing the parent, guardian, or custodian of the pupil and the treasurer of the board of

education of the expulsion or suspension. The notice shall include the reasons for the expulsion or suspension, notification of the right of the pupil or the pupil's parent, guardian, or custodian to appeal the expulsion or suspension to the board of education or to its designee, to be represented in all appeal proceedings, to be granted a hearing before the board or its designee in order to be heard against the suspension or expulsion, and to request that the hearing be held in executive session, notification that the expulsion may be subject to extension pursuant to division (F) of this section if the pupil is sixteen years of age or older, and notification that the superintendent may seek the pupil's permanent exclusion if the suspension or expulsion was based on a violation listed in division (A) of section 3313.662 of the Revised Code that was committed when the child was sixteen years of age or older and if the pupil is convicted of or adjudicated a delinquent child for that violation.

In accordance with the policy adopted by the board of education under section 3313.661 of the Revised Code, the notice provided under this division shall specify the manner and date by which the pupil or the pupil's parent, guardian, or custodian shall notify the board of the pupil's, parent's, guardian's, or custodian's intent to appeal the expulsion or suspension to the board or its designee.

Any superintendent expelling a pupil under this section for more than twenty school days or for any period of time if the expulsion will extend into the following semester or school year shall, in the notice required under this division, provide the pupil and the pupil's parent, guardian, or custodian with information about services or programs offered by public and private agencies that work toward improving those aspects of the pupil's attitudes and behavior that contributed to the incident that gave rise to the pupil's expulsion. The information shall include the names, addresses, and phone numbers of the appropriate public and private agencies.

(E) A pupil or the pupil's parent, guardian, or custodian may appeal the pupil's expulsion by a superintendent or suspension by a superintendent, principal, assistant principal, or other administrator to the board of education or to its designee. If the pupil or the pupil's parent, guardian, or custodian intends to appeal the expulsion or suspension to the board or its designee, the pupil or the pupil's parent, guardian, or custodian shall notify the board in the manner and by the date specified in the notice provided under division (D) of this section. The pupil or the pupil's parent, guardian, or custodian may be represented in all appeal proceedings and shall be granted a hearing before the board or its designee in order to be heard against the suspension or expulsion. At the request of the pupil or of the pupil's parent, guardian,

custodian, or attorney, the board or its designee may hold the hearing in executive session but shall act upon the suspension or expulsion only at a public meeting. The board, by a majority vote of its full membership or by the action of its designee, may affirm the order of suspension or expulsion, reinstate the pupil, or otherwise reverse, vacate, or modify the order of suspension or expulsion.

The board or its designee shall make a verbatim record of hearings held under this division. The decisions of the board or its designee may be appealed under Chapter 2506. of the Revised Code.

This section shall not be construed to require notice and hearing in accordance with division (A), (B), or (C) of this section in the case of normal disciplinary procedures in which a pupil is removed from a curricular activity for a period of less than one school day and is not subject to suspension or expulsion.

(F)(1) If a pupil is expelled pursuant to division (B) of this section for committing any violation listed in division (A) of section 3313.662 of the Revised Code and the pupil was sixteen years of age or older at the time of committing the violation, if a complaint, indictment, or information is filed alleging that the pupil is a delinquent child based upon the commission of the violation or the pupil is prosecuted as an adult for the commission of the violation, and if the resultant juvenile court or criminal proceeding is pending at the time that the expulsion terminates, the superintendent of schools that expelled the pupil may file a motion with the court in which the proceeding is pending requesting an order extending the expulsion for the lesser of an additional eighty days or the number of school days remaining in the school year. Upon the filing of the motion, the court immediately shall schedule a hearing and give written notice of the time, date, and location of the hearing to the superintendent and to the pupil and the pupil's parent, guardian, or custodian. At the hearing, the court shall determine whether there is reasonable cause to believe that the pupil committed the alleged violation that is the basis of the expulsion and, upon determining that reasonable cause to believe the pupil committed the violation does exist, shall grant the requested extension.

(2) If a pupil has been convicted of or adjudicated a delinquent child for a violation listed in division (A) of section 3313.662 of the Revised Code for an act that was committed when the child was sixteen years of age or older, if the pupil has been expelled pursuant to division (B) of this section for that violation, and if the board of education of the school district of the school from which the pupil was expelled has adopted a resolution seeking the pupil's permanent exclusion, the superintendent may file a motion with

the court that convicted the pupil or adjudicated the pupil a delinquent child requesting an order to extend the expulsion until an adjudication order or other determination regarding permanent exclusion is issued by the superintendent of public instruction pursuant to section 3301.121 and division (D) of section 3313.662 of the Revised Code. Upon the filing of the motion, the court immediately shall schedule a hearing and give written notice of the time, date, and location of the hearing to the superintendent of the school district, the pupil, and the pupil's parent, guardian, or custodian. At the hearing, the court shall determine whether there is reasonable cause to believe the pupil's continued attendance in the public school system may endanger the health and safety of other pupils or school employees and, upon making that determination, shall grant the requested extension.

(G) The failure of the superintendent or the board of education to provide the information regarding the possibility of permanent exclusion in the notice required by divisions (A), (B), and (D) of this section is not jurisdictional, and the failure shall not affect the validity of any suspension or expulsion procedure that is conducted in accordance with this section or the validity of a permanent exclusion procedure that is conducted in accordance with sections 3301.121 and 3313.662 of the Revised Code.

(H) With regard to suspensions and expulsions pursuant to divisions (A) and (B) of this section by the board of education of any city, exempted village, or local school district, this section shall apply to any student, whether or not the student is enrolled in the district, attending or otherwise participating in any curricular program provided in a school operated by the board or provided on any other property owned or controlled by the board.

(I) Whenever a student is expelled under this section, the expulsion shall result in removal of the student from the student's regular school setting. However, during the period of the expulsion, the board of education of the school district that expelled the student or any board of education admitting the student during that expulsion period may provide educational services to the student in an alternative setting.

(J)(1) Notwithstanding sections 3109.51 to 3109.80, 3313.64, and 3313.65 of the Revised Code, any school district, after offering an opportunity for a hearing, may temporarily deny admittance to any pupil if one of the following applies:

(a) The pupil has been suspended from the schools of another district under division (A) of this section and the period of suspension, as established under that division, has not expired;

(b) The pupil has been expelled from the schools of another district under division (B) of this section and the period of the expulsion, as

established under that division or as extended under division (F) of this section, has not expired.

If a pupil is temporarily denied admission under this division, the pupil shall be admitted to school in accordance with sections 3109.51 to 3109.80, 3313.64, or 3313.65 of the Revised Code no later than upon expiration of the suspension or expulsion period, as applicable.

(2) Notwithstanding sections 3109.51 to 3109.80, 3313.64, and 3313.65 of the Revised Code, any school district, after offering an opportunity for a hearing, may temporarily deny admittance to any pupil if the pupil has been expelled or otherwise removed for disciplinary purposes from a public school in another state and the period of expulsion or removal has not expired. If a pupil is temporarily denied admission under this division, the pupil shall be admitted to school in accordance with sections 3109.51 to 3109.80, 3313.64, or 3313.65 of the Revised Code no later than the earlier of the following:

(a) Upon expiration of the expulsion or removal period imposed by the out-of-state school;

(b) Upon expiration of a period established by the district, beginning with the date of expulsion or removal from the out-of-state school, that is no greater than the period of expulsion that the pupil would have received under the policy adopted by the district under section 3313.661 of the Revised Code had the offense that gave rise to the expulsion or removal by the out-of-state school been committed while the pupil was enrolled in the district.

(K) As used in this section:

(1) "Permanently exclude" and "permanent exclusion" have the same meanings as in section 3313.662 of the Revised Code.

(2) "In-school suspension" means the pupil will serve all of the suspension in a school setting.

Sec. 3313.661. (A) The board of education of each city, exempted village, and local school district shall adopt a policy regarding suspension, expulsion, removal, and permanent exclusion that specifies the types of misconduct for which a pupil may be suspended, expelled, or removed. The types of misconduct may include misconduct by a pupil that occurs off of property owned or controlled by the district but that is connected to activities or incidents that have occurred on property owned or controlled by that district and misconduct by a pupil that, regardless of where it occurs, is directed at a district official or employee, or the property of such official or employee. The policy shall specify the reasons for which the superintendent of the district may reduce the expulsion requirement in division (B)(2) of

section 3313.66 of the Revised Code. If a board of education adopts a resolution pursuant to division (B)(3) of section 3313.66 of the Revised Code, the policy shall define the term "knife" or "firearm," as applicable, for purposes of expulsion under that resolution and shall specify any reasons for which the superintendent of the district may reduce any required expulsion period on a case-by-case basis. If a board of education adopts a resolution pursuant to division (B)(4) or (5) of section 3313.66 of the Revised Code, the policy shall specify any reasons for which the superintendent of the district may reduce any required expulsion period on a case-by-case basis. The policy also shall set forth the acts listed in section 3313.662 of the Revised Code for which a pupil may be permanently excluded.

The policy adopted under this division shall specify the date and manner by which a pupil or a pupil's parent, guardian, or custodian may notify the board of the pupil's, parent's, guardian's, or custodian's intent to appeal an expulsion or suspension to the board or its designee pursuant to division (E) of section 3313.66 of the Revised Code. In the case of any expulsion, the policy shall not specify a date that is less than fourteen days after the date of the notice provided to the pupil or the pupil's parent, guardian, or custodian under division (D) of that section.

A copy of the policy shall be posted in a central location in the school and made available to pupils upon request. No pupil shall be suspended, expelled, or removed except in accordance with the policy adopted by the board of education of the school district in which the pupil attends school, and no pupil shall be permanently excluded except in accordance with sections 3301.121 and 3313.662 of the Revised Code.

(B) A board of education may establish a program and adopt guidelines under which a superintendent may require a pupil to perform community service in conjunction with a suspension or expulsion imposed under section 3313.66 of the Revised Code or in place of a suspension or expulsion imposed under section 3313.66 of the Revised Code except for an expulsion imposed pursuant to division (B)(2) of that section. If a board adopts guidelines under this division, they shall permit, except with regard to an expulsion pursuant to division (B)(2) of section 3313.66 of the Revised Code, a superintendent to impose a community service requirement beyond the end of the school year in lieu of applying the suspension or expulsion into the following school year. Any guidelines adopted shall be included in the policy adopted under this section.

(C) The written policy of each board of education that is adopted pursuant to section 3313.20 of the Revised Code shall be posted in a central location in each school that is subject to the policy and shall be made

available to pupils upon request.

(D) Any policy, program, or guideline adopted by a board of education under this section with regard to suspensions or expulsions pursuant to division (A) or (B) of section 3313.66 of the Revised Code shall apply to any student, whether or not the student is enrolled in the district, attending or otherwise participating in any curricular program provided in a school operated by the board or provided on any other property owned or controlled by the board.

(E) As used in this section, "permanently exclude" and "permanent exclusion" have the same meanings as in section 3313.662 of the Revised Code.

Sec. 3313.82. (A)(1) The boards of education of two or more city, local, or exempted village school districts each having a majority of its territory in a county with a population greater than one million two hundred thousand, by adopting identical resolutions, may enter into an agreement providing for the creation of a student special services district for the purpose of funding the following for students enrolled in those school districts, including students diagnosed as autistic and students with special needs, and their immediate family members:

(a) Special education services;

(b) Behavioral health services for persons with special needs.

If more than eight boards of education adopt resolutions to form a student special services district, the boards may meet at facilities of the educational service center of the county to discuss membership in the district.

(2) The territory of a student special services district at any time shall be composed of the combined territories of the school districts that are parties to the agreement at that time. Services funded by a student special services district shall be available to all individuals enrolled in a school district that is a part of the student special services district and members of their immediate family.

(3) The agreement may be amended pursuant to terms and procedures mutually agreed to by the boards of education that are parties to the agreement.

(B) Each student special services district shall be governed by a board of directors. The superintendent of each board of education that is a party to the agreement shall serve on the board of directors. The agreement shall provide for the terms of office of directors. Directors shall receive no compensation, but shall be reimbursed, from the special fund of the student special services district, for the reasonable and necessary expenses they

incur in the performance of their duties for the district. The agreement shall provide for the conduct of the board's initial organizational meeting and for the frequency of subsequent meetings and quorum requirements. At its first meeting, the board shall designate from among its members a president and secretary in the manner provided in the agreement.

The board of directors of a student special services district is a body corporate and politic, is capable of suing and being sued, is capable of contracting within the limits of this section and the agreement governing the district, and is capable of accepting gifts, donations, bequests, or other grants of money for use in paying its expenses. The district is a public office and its directors are public officials within the meaning of section 117.01 of the Revised Code, the board of directors is a public body within the meaning of section 121.22 of the Revised Code, and records of the board and of the district are public records within the meaning of section 149.43 of the Revised Code.

The agreement shall require the board to designate a permanent location for its offices and meeting place, and may provide for the use of such facilities and property for the provision of services by the agencies with which the board contracts under division (C) of this section.

(C)(1) To provide the services identified in division (A)(1) of this section, the board of directors of a student special services district shall provide for the hiring of employees or shall contract with one or more entities. Except as provided in division (C)(2) of this section, any entity with which the board of directors contracts to provide the services identified in division (A)(1)(b) of this section shall be a qualified nonprofit, nationally accredited agency to which all of the following apply:

(a) The agency is licensed or certified by the departments of mental health, job and family services, and alcohol and drug addiction services.

(b) The agency is chartered by the department of education and provides services to persons diagnosed with autism.

(c) The agency provides school-based behavioral health services.

(2) The board of directors may contract with an entity that does not meet the conditions stated in division (C)(1) of this section if the services to be provided by the entity are only incidental to the services identified in division (A)(1)(b) of this section.

(3) The board of directors may levy a tax throughout the district as provided in section 5705.219 of the Revised Code. The board of directors shall provide for the creation of a special fund to hold the proceeds of any tax levied under section 5705.219 of the Revised Code and any gifts, donations, bequests, or other grants of money coming into the possession of

the district. A student special services district is a subdivision, and the board of directors is a governing body, within the meaning of section 135.01 of the Revised Code. The board of directors may not issue securities or otherwise incur indebtedness.

(4) The adoption or rejection by electors of a tax levy to fund a student special services district pursuant to section 5705.219 of the Revised Code does not alter the duty of each school district member of the student special services district to provide special education and related services as required under Chapter 3323. of the Revised Code. On the expiration of a student special services district levy, the state, member school districts of the student special services district, and any other governmental entity shall not be obligated to provide replacement funding for the revenues under the expired levy. The tax levy, in whole or in part, shall not be considered a levy for current operating expenses pursuant to division (A) of section 3317.01 of the Revised Code for any of the school districts that are members of the student special services district.

(D)(1) The agreement shall provide for the manner of appointing an individual or entity to perform the duties of fiscal officer of the student special services district. The agreement shall specify the length of time the individual or entity shall perform those duties and whether the individual or entity may be reappointed upon the completion of a term. The fiscal officer may receive compensation for performing the duties of the position and be reimbursed for reasonable expenses of performing those duties from the student special services district's special fund.

(2) The legal advisor of the board of directors of a student special services district shall be the prosecuting attorney of the most populous county containing a school district that is a member of the student special services district. The prosecuting attorney shall prosecute all actions against a member of the board of directors for malfeasance or misfeasance in office and shall be the legal counsel for the board and its members in all other actions brought by or against them and shall conduct those actions in the prosecuting attorney's official capacity. No compensation in addition to the prosecuting attorney's regular salary shall be allowed.

(E) The board of directors of a student special services district shall procure a policy or policies of insurance insuring the board, the fiscal officer, and the legal representative against liability on account of damage or injury to persons and property. Before procuring such insurance the board shall adopt a resolution setting forth the amount of insurance to be purchased, the necessity of the insurance, and a statement of its estimated premium cost. Insurance procured pursuant to this section shall be from one

or more recognized insurance companies authorized to do business in this state. The cost of the insurance shall be paid from the district's special fund.

A student special services district is a political subdivision within the meaning of section 2744.01 of the Revised Code.

(F)(1) The board of education of a school district having a majority of its territory in the county may join an existing student special services district by adopting a resolution requesting to join as a party to the agreement and upon approval by the boards of education that currently are parties to the agreement. If a tax is levied in the student special services district under section 5705.219 of the Revised Code, a board of education may join the district only after a majority of qualified electors in the school district voting on the question vote in favor of levying the tax throughout the school district. A board of education joining an existing district shall have the same powers, rights, and obligations under the agreement as other boards of education that are parties to the agreement.

(2) A board of education that is a party to an agreement under this section may withdraw the school district from a student special services district by adopting a resolution. The withdrawal shall take effect on the date provided in the resolution. If a tax is levied in the student special services district under section 5705.219 of the Revised Code, the resolution shall take effect not later than the first day of January following adoption of the resolution. Beginning with the first day of January following adoption of the resolution, any tax levied under section 5705.219 of the Revised Code shall not be levied within the territory of the withdrawing school district. Any collection of tax levied in the territory of the withdrawing school district under that section that has not been settled and distributed when the resolution takes effect shall be credited to the district's special fund.

(G) An agreement entered into under this section shall provide for the manner of the student special services district's dissolution. The district shall cease to exist when not more than one school district remains in the district, and the levy of any tax under section 5705.219 of the Revised Code shall not be extended on the tax lists in any tax year beginning after the dissolution of the district. The agreement shall provide that, upon dissolution of the district, any unexpended balance in the district's special fund shall be divided among the school districts that are parties to the agreement immediately before dissolution in proportion to the taxable valuation of taxable property in the districts, and credited to their respective general funds.

Sec. 3313.841. The boards of education and governing boards of two or more city, local, joint vocational, or exempted village school districts or

educational service centers may contract in accordance with the terms of this section for the sharing on a cooperative basis of the services of supervisory teachers, special instruction teachers, special education teachers, and other licensed personnel necessary to conduct approved cooperative classes for special education and related services and gifted education.

The boards of two or more districts or service centers desiring to enroll students in such classes shall each adopt resolutions indicating such desire and designating one of the participating districts or service centers as the funding agent for purposes of this section. The district or service center designated as the funding agent shall enter into an employment contract with each licensed teacher whose services are to be shared among the participating districts and service centers. In turn, the funding agent shall enter into contracts with each of the districts and service centers which have adopted resolutions agreeing to participate in the cooperative program upon terms agreed to by all parties to such contract. Such contracts between districts and service centers shall set forth the services to be provided by the licensed teacher employed by the funding agent whose services are to be shared by the participating districts and service centers and the basis for computing the amounts to be paid for such services to the funding agent by the participating districts and service centers.

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

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

Sec. 3313.843. (A) Notwithstanding division (D) of section 3311.52 of the Revised Code, this section does not apply to either of the following:

- (1) Any cooperative education school district;
- (2) Any city or exempted village school district with a total student count of thirteen thousand or more determined pursuant to section 3317.03 of the Revised Code that has not entered into one or more agreements

pursuant to this section prior to July 1, 1993, unless the district's total student count did not exceed thirteen thousand at the time it entered into an initial agreement under this section.

(B) The board of education of a city or exempted village school district and the governing board of an educational service center may enter into an agreement, through adoption of identical resolutions, under which the educational service center governing board will provide services to the city or exempted village school district.

Services provided under the agreement shall be specified in the agreement, and may include any one or a combination of the following: supervisory teachers; in-service and continuing education programs for city or exempted village school district personnel; curriculum services as provided to the local school districts under the supervision of the service center governing board; research and development programs; academic instruction for which the governing board employs teachers pursuant to section 3319.02 of the Revised Code; and assistance in the provision of special accommodations and classes for ~~handicapped~~ students with disabilities. Services included in the agreement shall be provided to the city or exempted village district in the same manner they are provided to local school districts under the governing board's supervision, unless otherwise specified in the agreement. The city or exempted village board of education shall reimburse the educational service center governing board pursuant to section 3317.11 of the Revised Code.

(C) If an educational service center received funding under division (B) of former section 3317.11 or division (F) of section 3317.11 of the Revised Code for an agreement under this section involving a city school district whose total student count was less than thirteen thousand, the service center may continue to receive funding under that division for such an agreement in any subsequent year if the city district's total student count exceeds thirteen thousand. However, only the first thirteen thousand pupils in the formula ADM of such district shall be included in determining the amount of the per pupil subsidy the service center shall receive under division (F) of section 3317.11 of the Revised Code.

(D) Any agreement entered into pursuant to this section shall be valid only if a copy is filed with the department of education by the first day of the school year for which the agreement is in effect.

Sec. 3313.97. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to any joint vocational or cooperative education school district.

(A) As used in this section:

(1) "Parent" has the same meaning as in section 3313.64 of the Revised Code.

(2) "Alternative school" means a school building other than the one to which a student is assigned by the district superintendent.

(3) "IEP" ~~means an individualized education program defined by division (E) of~~ has the same meaning as in section 3323.01 of the Revised Code.

(B) The board of education of each city, local, and exempted village school district shall adopt an open enrollment policy allowing students entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code to enroll in an alternative school. Each policy shall provide for the following:

(1) Application procedures, including deadlines for application and for notification of students and principals of alternative schools whenever a student's application is accepted. The policy shall require a student to apply only if the student wishes to attend an alternative school.

(2) The establishment of district capacity limits by grade level, school building, and education program;

(3) A requirement that students enrolled in a school building or living in any attendance area of the school building established by the superintendent or board be given preference over applicants;

(4) Procedures to ensure that an appropriate racial balance is maintained in the district schools.

(C) Except as provided in section 3313.982 of the Revised Code, the procedures for admitting applicants to alternative schools shall not include:

(1) Any requirement of academic ability, or any level of athletic, artistic, or other extracurricular skills;

(2) Limitations on admitting applicants because of ~~handicapping~~ disabling conditions, except that a board may require a student receiving services under Chapter 3323. of the Revised Code to attend school where the services described in the student's IEP are available;

(3) A requirement that the student be proficient in the English language;

(4) Rejection of any applicant because the student has been subject to disciplinary proceedings, except that if an applicant has been suspended or expelled for ten consecutive days or more in the term for which admission is sought or in the term immediately preceding the term for which admission is sought, the procedures may include a provision denying admission of such applicant to an alternative school.

(D)(1) Notwithstanding Chapter 3327. of the Revised Code, and except as provided in division (D)(2) of this section, a district board is not required

to provide transportation to a ~~nonhandicapped~~ nondisabled student enrolled in an alternative school unless such student can be picked up and dropped off at a regular school bus stop designated in accordance with the board's transportation policy or unless the board is required to provide additional transportation to the student in accordance with a court-approved desegregation plan.

(2) A district board shall provide transportation to any student enrolled in an alternative school pursuant to division (E) of section 3302.04 of the Revised Code to the extent required by that division, except that no district board shall be required to provide transportation to any student enrolled in an alternative school pursuant to division (E) of section 3302.04 of the Revised Code after the date the school in which the student was enrolled immediately prior to enrolling in the alternative school ceases to be subject to that division.

(E) Each school board shall provide information about the policy adopted under this section and the application procedures and deadlines to the parent of each student in the district and to the general public.

(F) The state board of education shall monitor school districts to ensure compliance with this section and the districts' policies.

Sec. 3313.974. As used in this section and in sections 3313.975 to 3313.979 of the Revised Code:

(A) "Individualized education program" and "~~handicapped~~ child with a disability" have the same meanings as in section 3323.01 of the Revised Code.

(B) "Mainstreamed ~~handicapped~~ student with a disability" means a ~~handicapped~~ child with a disability who has an individualized education program providing for the student to spend more than half of each school day in a regular school setting with ~~nonhandicapped~~ nondisabled students.

(C) "Separately educated ~~handicapped~~ student with a disability" means a ~~handicapped~~ child with a disability who has an individualized education program providing for the student to spend at least half of each school day in a class or setting separated from ~~nonhandicapped~~ nondisabled students.

(D) "Low-income family" means a family whose income is below the level which the superintendent of public instruction shall establish.

(E) "Parent" has the same meaning as in section 3313.98 of the Revised Code.

(F) "Registered private school" means a school registered with the superintendent of public instruction pursuant to section 3313.976 of the Revised Code.

(G) "Alternative school" means a registered private school located in a

school district or a public school located in an adjacent school district.

(H) "Tutorial assistance" means instructional services provided to a student outside of regular school hours approved by the commission on school choice pursuant to section 3313.976 of the Revised Code.

Sec. 3313.977. (A)(1) Each registered private school shall admit students to kindergarten and first, second, and third grades in accordance with the following priorities:

(a) Students who were enrolled in the school during the preceding year;

(b) Siblings of students enrolled in the school during the preceding year, at the discretion of the school;

(c) Children from low-income families attending school or residing in the school district in which the school is located until the number of such students in each grade equals the number that constituted twenty per cent of the total number of students enrolled in the school during the preceding year in such grade. Admission of such twenty per cent shall be by lot from among all low-income family applicants who apply prior to the fifteenth day of February prior to admission.

(d) All other applicants residing anywhere, provided that all remaining available spaces shall be filled from among such applicants by lot.

Children from low-income families not selected by lot under division (A)(1)(c) of this section shall be included in the lottery of all remaining applicants pursuant to division (A)(1)(d) of this section.

(2) Each registered private school shall first admit to grades four through twelve students who were enrolled in the school during the preceding year. Any remaining spaces for students in these grades may be filled as determined by the school.

(B) Notwithstanding division (A) of this section, except where otherwise prohibited by federal law, a registered private school may elect to admit students of only one gender and may deny admission to any separately educated ~~handicapped~~ student with a disability.

(C) If a scholarship student who has been accepted in accordance with this section fails to enroll in the school for any reason or withdraws from the school during the school year for any reason, the school may elect to replace such student with another scholarship student only by first offering the admission to any low-income scholarship students who filed applications by the preceding fifteenth day of February and who were not accepted at that time due to space limitations.

Sec. 3313.978. (A) Annually by the first day of November, the superintendent of public instruction shall notify the pilot project school district of the number of initial scholarships that the state superintendent will

be awarding in each of grades kindergarten through eight.

The state superintendent shall provide information about the scholarship program to all students residing in the district, shall accept applications from any such students until such date as shall be established by the state superintendent as a deadline for applications, and shall establish criteria for the selection of students to receive scholarships from among all those applying prior to the deadline, which criteria shall give preference to students from low-income families. For each student selected, the state superintendent shall also determine whether the student qualifies for seventy-five or ninety per cent of the scholarship amount. Students whose family income is at or above two hundred per cent of the maximum income level established by the state superintendent for low-income families shall qualify for seventy-five per cent of the scholarship amount and students whose family income is below two hundred per cent of that maximum income level shall qualify for ninety per cent of the scholarship amount. The state superintendent shall notify students of their selection prior to the fifteenth day of January and whether they qualify for seventy-five or ninety per cent of the scholarship amount.

(1) A student receiving a pilot project scholarship may utilize it at an alternative public school by notifying the district superintendent, at any time before the beginning of the school year, of the name of the public school in an adjacent school district to which the student has been accepted pursuant to section 3327.06 of the Revised Code.

(2) A student may decide to utilize a pilot project scholarship at a registered private school in the district if all of the following conditions are met:

(a) By the fifteenth day of February of the preceding school year, or at any time prior to the start of the school year, the parent makes an application on behalf of the student to a registered private school.

(b) The registered private school notifies the parent and the state superintendent as follows that the student has been admitted:

(i) By the fifteenth day of March of the preceding school year if the student filed an application by the fifteenth day of February and was admitted by the school pursuant to division (A) of section 3313.977 of the Revised Code;

(ii) Within one week of the decision to admit the student if the student is admitted pursuant to division (C) of section 3313.977 of the Revised Code.

(c) The student actually enrolls in the registered private school to which the student was first admitted or in another registered private school in the district or in a public school in an adjacent school district.

(B) The state superintendent shall also award in any school year tutorial assistance grants to a number of students equal to the number of students who receive scholarships under division (A) of this section. Tutorial assistance grants shall be awarded solely to students who are enrolled in the public schools of the district in a grade level covered by the pilot project. Tutorial assistance grants may be used solely to obtain tutorial assistance from a provider approved pursuant to division (D) of section 3313.976 of the Revised Code.

All students wishing to obtain tutorial assistance grants shall make application to the state superintendent by the first day of the school year in which the assistance will be used. The state superintendent shall award assistance grants in accordance with criteria the superintendent shall establish. For each student awarded a grant, the state superintendent shall also determine whether the student qualifies for seventy-five or ninety per cent of the grant amount and so notify the student. Students whose family income is at or above two hundred per cent of the maximum income level established by the state superintendent for low-income families shall qualify for seventy-five per cent of the grant amount and students whose family income is below two hundred per cent of that maximum income level shall qualify for ninety per cent of the grant amount.

(C)(1) In the case of basic scholarships for students in grades kindergarten through eight, the scholarship amount shall not exceed the lesser of the tuition charges of the alternative school the scholarship recipient attends or three thousand dollars before fiscal year 2007 and three thousand four hundred fifty dollars in fiscal year 2007 and thereafter.

In the case of basic scholarships for students in grades nine through twelve, the scholarship amount shall not exceed the lesser of the tuition charges of the alternative school the scholarship recipient attends or two thousand seven hundred dollars before fiscal year 2007 and three thousand four hundred fifty dollars in fiscal year 2007 and thereafter.

(2) The state superintendent shall provide for an increase in the basic scholarship amount in the case of any student who is a mainstreamed ~~handicapped~~ student with a disability and shall further increase such amount in the case of any separately educated ~~handicapped-child~~ student with a disability. Such increases shall take into account the instruction, related services, and transportation costs of educating such students.

(3) In the case of tutorial assistance grants, the grant amount shall not exceed the lesser of the provider's actual charges for such assistance or:

(a) Before fiscal year 2007, a percentage established by the state superintendent, not to exceed twenty per cent, of the amount of the pilot

project school district's average basic scholarship amount;

(b) In fiscal year 2007 and thereafter, four hundred dollars.

(4) No scholarship or tutorial assistance grant shall be awarded unless the state superintendent determines that twenty-five or ten per cent, as applicable, of the amount specified for such scholarship or grant pursuant to division (C)(1), (2), or (3) of this section will be furnished by a political subdivision, a private nonprofit or for profit entity, or another person. Only seventy-five or ninety per cent of such amounts, as applicable, shall be paid from state funds pursuant to section 3313.979 of the Revised Code.

(D)(1) Annually by the first day of November, the state superintendent shall estimate the maximum per-pupil scholarship amounts for the ensuing school year. The state superintendent shall make this estimate available to the general public at the offices of the district board of education together with the forms required by division (D)(2) of this section.

(2) Annually by the fifteenth day of January, the chief administrator of each registered private school located in the pilot project district and the principal of each public school in such district shall complete a parental information form and forward it to the president of the board of education. The parental information form shall be prescribed by the department of education and shall provide information about the grade levels offered, the numbers of students, tuition amounts, achievement test results, and any sectarian or other organizational affiliations.

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

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

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

(a) When the marriage of the natural or adoptive parents of the student has been terminated by a divorce, dissolution of marriage, or annulment or the natural or adoptive parents of the student are living separate and apart under a legal separation decree and the court has issued an order allocating the parental rights and responsibilities with respect to the student, "parent" means the residential parent as designated by the court except that "parent" means either parent when the court issues a shared parenting decree.

(b) When a court has granted temporary or permanent custody of the student to an individual or agency other than either of the natural or adoptive

parents of the student, "parent" means the legal custodian of the child.

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

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

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

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

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

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

(7) "Adjusted formula amount" means the ~~greater of the following:~~

~~(a) The fiscal year 2005 formula amount multiplied by the fiscal year 2005 cost of doing business factor for a district defined in the version of section 3317.02 of the Revised Code in effect that year;~~

~~(b) The sum of (the current formula amount times the current cost of doing business factor as defined in section 3317.02 of the Revised Code) 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.~~

(8) "Poverty line" means the poverty line established by the director of the United States office of management and budget as revised by the director of the office of community services in accordance with section 673(2) of the "Community Services Block Grant Act," 95 Stat. 1609, 42 U.S.C.A. 9902, as amended.

(9) "IEP" ~~means an individualized education program defined by division (E) of~~ has the same meaning as in section 3323.01 of the Revised Code.

(10) "Other district" means a city, exempted village, or local school district having territory outside of the territory of a district adopting a resolution under this section.

(11) "Other district student" means a student entitled under section

3313.64 or 3313.65 of the Revised Code to attend school in an other district.

(12) "Other district joint vocational student" means a student who is enrolled in any city, exempted village, or local school district and who also enrolls in a joint vocational school district that does not contain the territory of the district for which that student is a native student in accordance with a policy adopted under section 3313.983 of the Revised Code.

(B)(1) The board of education of each city, local, and exempted village school district shall adopt a resolution establishing for the school district one of the following policies:

(a) A policy that entirely prohibits the enrollment of students from adjacent districts or other districts, other than students for whom tuition is paid in accordance with section 3317.08 of the Revised Code;

(b) A policy that permits enrollment of students from all adjacent districts in accordance with policy statements contained in the resolution;

(c) A policy that permits enrollment of students from all other districts in accordance with policy statements contained in the resolution.

(2) A policy permitting enrollment of students from adjacent or from other districts, as applicable, shall provide for all of the following:

(a) Application procedures, including deadlines for application and for notification of students and the superintendent of the applicable district whenever an adjacent or other district student's application is approved.

(b) Procedures for admitting adjacent or other district applicants free of any tuition obligation to the district's schools, including, but not limited to:

(i) The establishment of district capacity limits by grade level, school building, and education program;

(ii) A requirement that all native students wishing to be enrolled in the district will be enrolled and that any adjacent or other district students previously enrolled in the district shall receive preference over first-time applicants;

(iii) Procedures to ensure that an appropriate racial balance is maintained in the district schools.

(C) Except as provided in section 3313.982 of the Revised Code, the procedures for admitting adjacent or other district students, as applicable, shall not include:

(1) Any requirement of academic ability, or any level of athletic, artistic, or other extracurricular skills;

(2) Limitations on admitting applicants because of ~~handicapping conditions~~ disability, except that a board may refuse to admit a student receiving services under Chapter 3323. of the Revised Code, if the services described in the student's IEP are not available in the district's schools;

(3) A requirement that the student be proficient in the English language;

(4) Rejection of any applicant because the student has been subject to disciplinary proceedings, except that if an applicant has been suspended or expelled by the student's district for ten consecutive days or more in the term for which admission is sought or in the term immediately preceding the term for which admission is sought, the procedures may include a provision denying admission of such applicant.

(D)(1) Each school board permitting only enrollment of adjacent district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, to the superintendent and the board of education of each adjacent district and, upon request, to the parent of any adjacent district student.

(2) Each school board permitting enrollment of other district students shall provide information about the policy adopted under this section, including the application procedures and deadlines, upon request, to the board of education of any other school district or to the parent of any student anywhere in the state.

(E) Any school board shall accept all credits toward graduation earned in adjacent or other district schools by an adjacent or other district student or a native student.

(F)(1) No board of education may adopt a policy discouraging or prohibiting its native students from applying to enroll in the schools of an adjacent or any other district that has adopted a policy permitting such enrollment, except that:

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

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

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

(G) The state board of education shall monitor school districts to ensure compliance with this section and the districts' policies. The board may adopt rules requiring uniform application procedures, deadlines for application,

notification procedures, and record-keeping requirements for all school boards that adopt policies permitting the enrollment of adjacent or other district students, as applicable. If the state board adopts such rules, no school board shall adopt a policy that conflicts with those rules.

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

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

Sec. 3313.983. (A) The board of education of each joint vocational school district shall adopt a policy pertaining to enrollment of students who, upon enrollment, will be adjacent district joint vocational students except that, in lieu of such a policy, a board may adopt a policy pertaining to enrollment of students who, upon enrollment, will be other district joint vocational students. Any such policy to enroll other district joint vocational students shall apply beginning with the school year that commences July 1, 1998.

A policy adopted under this section shall provide for all of the following:

(1) Application procedures, including procedures for notifying any future adjacent district or other district joint vocational students, as applicable, and the superintendent of the city, exempted village, or local school districts in which they are also enrolled whenever their applications are approved;

(2) Procedures for admitting to the district applicants who will be, as applicable, adjacent district or other district joint vocational students, including, but not limited to:

(a) The establishment of district capacity limits by grade level, school building, and education program;

(b) A requirement that all students entitled under section 3313.64 or 3313.65 of the Revised Code to attend school in a district that has territory in the joint vocational school district will be enrolled in the district ahead of any adjacent district or other district joint vocational students;

(c) A requirement that any previously enrolled adjacent district or other

district joint vocational student, as applicable, shall receive preference over first-time applicants to become adjacent district or other district joint vocational students.

(B) The procedures for admitting students who will be, as applicable, adjacent district or other district joint vocational students shall not include:

(1) Any requirement of academic ability, or any level of athletic, artistic, or other extracurricular skills;

(2) Limitations on admitting applicants because of ~~handicapping conditions~~ disability, except that a board may refuse to admit an applicant receiving services under Chapter 3323. of the Revised Code if the services described in the student's IEP are not available in the district;

(3) A requirement that the student be proficient in the English language;

(4) Rejection of any applicant because the student has been subject to disciplinary proceedings, except that if an applicant has been suspended or expelled by any school district for ten consecutive days or more in the term for which admission is sought or in the term immediately preceding the term for which admission is sought, the procedures may include a provision denying admission of such applicant.

(C) The board of education of each joint vocational school district shall provide information about the policy it adopts under this section, including the application procedures, to the superintendent and the board of education of each city, exempted village, and local school district with territory in the district and, upon request, to the parent of any student who could become, as applicable, an adjacent district or other district joint vocational student of the district.

Sec. 3314.015. (A) The department of education shall be responsible for the oversight of sponsors of the community schools established under this chapter and shall provide technical assistance to schools and sponsors in their compliance with applicable laws and the terms of the contracts entered into under section 3314.03 of the Revised Code and in the development and start-up activities of those schools. In carrying out its duties under this section, the department shall do all of the following:

(1) In providing technical assistance to proposing parties, governing authorities, and sponsors, conduct training sessions and distribute informational materials;

(2) Approve entities to be sponsors of community schools and monitor the effectiveness of those sponsors in their oversight of the schools with which they have contracted;

(3) By December thirty-first of each year, issue a report to the governor, the speaker of the house of representatives, the president of the senate, and

the chairpersons of the house and senate committees principally responsible for education matters regarding the effectiveness of academic programs, operations, and legal compliance and of the financial condition of all community schools established under this chapter;

(4) From time to time, make legislative recommendations to the general assembly designed to enhance the operation and performance of community schools.

(B)(1) No entity listed in division (C)(1) of section 3314.02 of the Revised Code shall enter into a preliminary agreement under division (C)(2) of section 3314.02 of the Revised Code until it has received approval from the department of education to sponsor community schools under this chapter and has entered into a written agreement with the department regarding the manner in which the entity will conduct such sponsorship. The department shall adopt in accordance with Chapter 119. of the Revised Code rules containing criteria, procedures, and deadlines for processing applications for such approval, for oversight of sponsors, for revocation of the approval of sponsors, and for entering into written agreements with sponsors. The rules shall require an entity to submit evidence of the entity's ability and willingness to comply with the provisions of division (D) of section 3314.03 of the Revised Code. The rules also shall require entities approved as sponsors on and after June 30, 2005, to demonstrate a record of financial responsibility and successful implementation of educational programs. If an entity seeking approval on or after June 30, 2005, to sponsor community schools in this state sponsors or operates schools in another state, at least one of the schools sponsored or operated by the entity must be comparable to or better than the performance of Ohio schools in ~~a state of academic watch~~ need of continuous improvement under section 3302.03 of the Revised Code, as determined by the department.

An entity that sponsors community schools may enter into preliminary agreements and sponsor schools as follows, provided each school and the contract for sponsorship meets the requirements of this chapter:

(a) An entity that sponsored fifty or fewer schools that were open for operation as of May 1, 2005, may sponsor not more than fifty schools.

(b) An entity that sponsored more than fifty but not more than seventy-five schools that were open for operation as of May 1, 2005, may sponsor not more than the number of schools the entity sponsored that were open for operation as of May 1, 2005.

(c) Until June 30, 2006, an entity that sponsored more than seventy-five schools that were open for operation as of May 1, 2005, may sponsor not more than the number of schools the entity sponsored that were open for

operation as of May 1, 2005. After June 30, 2006, such an entity may sponsor not more than seventy-five schools.

Upon approval of an entity to be a sponsor under this division, the department shall notify the entity of the number of schools the entity may sponsor.

The limit imposed on an entity to which division (B)(1) of this section applies shall be decreased by one for each school sponsored by the entity that permanently closes.

If at any time an entity exceeds the number of schools it may sponsor under this division, the department shall assist the schools in excess of the entity's limit in securing new sponsors. If a school is unable to secure a new sponsor, the department shall assume sponsorship of the school in accordance with division (C) of this section. Those schools for which another sponsor or the department assumes sponsorship shall be the schools that most recently entered into contracts with the entity under section 3314.03 of the Revised Code.

(2) The department of education shall determine, pursuant to criteria adopted by rule of the department, whether the mission proposed to be specified in the contract of a community school to be sponsored by a state university board of trustees or the board's designee under division (C)(1)(e) of section 3314.02 of the Revised Code complies with the requirements of that division. Such determination of the department is final.

(3) The department of education shall determine, pursuant to criteria adopted by rule of the department, if any tax-exempt entity under section 501(c)(3) of the Internal Revenue Code that is proposed to be a sponsor of a community school is an education-oriented entity for purpose of satisfying the condition prescribed in division (C)(1)(f)(iii) of section 3314.02 of the Revised Code. Such determination of the department is final.

(C) If at any time the state board of education finds that a sponsor is not in compliance or is no longer willing to comply with its contract with any community school or with the department's rules for sponsorship, the state board or designee shall conduct a hearing in accordance with Chapter 119. of the Revised Code on that matter. If after the hearing, the state board or designee has confirmed the original finding, the department of education may revoke the sponsor's approval to sponsor community schools and may assume the sponsorship of any schools with which the sponsor has contracted until the earlier of the expiration of two school years or until a new sponsor as described in division (C)(1) of section 3314.02 of the Revised Code is secured by the school's governing authority. The department may extend the term of the contract in the case of a school for

which it has assumed sponsorship under this division as necessary to accommodate the term of the department's authorization to sponsor the school specified in this division.

(D) The decision of the department to disapprove an entity for sponsorship of a community school or to revoke approval for such sponsorship, as provided in division (C) of this section, may be appealed by the entity in accordance with section 119.12 of the Revised Code.

(E) The department shall adopt procedures for use by a community school governing authority and sponsor when the school permanently closes and ceases operation, which shall include at least procedures for data reporting to the department, handling of student records, distribution of assets in accordance with section 3314.074 of the Revised Code, and other matters related to ceasing operation of the school.

(F) In carrying out its duties under this chapter, the department shall not impose requirements on community schools or their sponsors that are not permitted by law or duly adopted rules.

Sec. 3314.016. (A) After June 30, 2007, a new start-up school may be established under this chapter only if the school's governing authority enters into a contract with an operator that manages other schools in the United States that perform at a level higher than academic watch. The governing authority of the community school may sign a contract with an operator only if the operator has fewer contracts with the governing authorities of new start-up schools established under this chapter after June 30, 2007, than the number of schools managed by the operator in the United States that perform at a level higher than academic watch, as determined by the department of education.

(B) Notwithstanding division (A) of this section, the governing authority of a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may establish one additional school serving the same grade levels and providing the same educational program as the current start-up school and may open that additional school in the 2007-2008 school year, if both of the following conditions are met:

(1) The governing authority entered into another contract with the same sponsor or a different sponsor described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code and filed a copy of that contract with the superintendent of public instruction prior to March 15, 2006.

(2) The governing authority's current school satisfies all of the following conditions:

(a) The school currently is rated as excellent or effective pursuant to

section 3302.03 of the Revised Code.

(b) The school made adequate yearly progress, as defined in section 3302.01 of the Revised Code, for the previous school year.

(c) The school has been in operation for at least four school years.

(d) The school is not managed by an operator.

Sec. 3314.017. Notwithstanding division (A) of section 3314.016 of the Revised Code, the governing authority of a start-up school sponsored by an entity described in divisions (C)(1)(b) to (f) of section 3314.02 of the Revised Code may establish one additional start-up school that is located in the same school district as the current start-up school, regardless of whether that district is a challenged school district as otherwise required by division (C)(1) of section 3314.02 of the Revised Code, and that provides a general educational program to students in grades kindergarten through six to facilitate their transition to the current start-up school, and may open the additional start-up school in the 2008-2009 school year, if both of the following conditions are met:

(A) The governing authority enters into another contract with the same sponsor, which is hereby authorized to sponsor the additional start-up school and to continue that sponsorship as long as the entity sponsors the current start-up school, and files a copy of the contract with the superintendent of public instruction prior to March 15, 2008.

(B) The governing authority's current school satisfies all of the following conditions:

(1) The school was rated excellent or effective pursuant to section 3302.03 of the Revised Code for three of the four school years beginning with the 2002-2003 school year and ending with the 2005-2006 school year.

(2) The school made adequate yearly progress, as defined in section 3302.01 of the Revised Code, for each of the four school years beginning with the 2002-2003 school year and ending with the 2005-2006 school year.

(3) The school was recognized by the superintendent of public instruction as a school of promise for three of the four school years beginning with the 2002-2003 school year and ending with the 2005-2006 school year.

(4) The school has been in operation for at least five school years.

(5) The school is not managed by an operator.

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, as long as the proposed school will be located in a county within the territory of the service center or in a county contiguous to such county;

(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 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, 3314.016, and 3314.017 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)(1) 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 .

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.

(2) No person shall serve on the governing authorities of more than two start-up community schools at the same time.

(3) No present or former member, or immediate relative of a present or former member, of the governing authority of any community school established under this chapter shall be an owner, employee, or consultant of any nonprofit or for-profit operator of a community school, ~~as defined in section 3314.014 of the Revised Code~~, unless at least one year has elapsed since the conclusion of the person's membership.

(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.

(3) Any educational service center that, on the effective date of this amendment, sponsors a community school that is not located in a county within the territory of the service center or in a county contiguous to such county may continue to sponsor that community school on and after the effective date of this amendment and may renew its contract with the school. However, the educational service center shall not enter into a contract with any additional community school unless the school is located in a county within the territory of the service center or in a county contiguous to such county.

Sec. 3314.06. The governing authority of each community school established under this chapter shall adopt admission procedures that specify the following:

(A) That except as otherwise provided in this section, admission to the school shall be open to any individual age five to twenty-two entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code in a school district in the state.

(B)(1) That admission to the school may be limited to students who have attained a specific grade level or are within a specific age group; to students that meet a definition of "at-risk," as defined in the contract; to residents of a specific geographic area within the district, as defined in the contract; or to separate groups of autistic students and ~~nonhandicapped~~ nondisabled students, as authorized in section 3314.061 of the Revised Code and as defined in the contract.

(2) For purposes of division (B)(1) of this section, "at-risk" students may include those students identified as gifted students under section 3324.03 of the Revised Code.

(C) Whether enrollment is limited to students who reside in the district in which the school is located or is open to residents of other districts, as provided in the policy adopted pursuant to the contract.

(D)(1) That there will be no discrimination in the admission of students to the school on the basis of race, creed, color, ~~handicapping condition~~ disability, or sex except that:

(a) The governing authority may establish single-gender schools for the purpose described in division (G) of this section provided comparable facilities and learning opportunities are offered for both boys and girls. Such comparable facilities and opportunities may be offered for each sex at separate locations.

(b) The governing authority may establish a school that simultaneously serves a group of students identified as autistic and a group of students who are not ~~handicapped~~ disabled, as authorized in section 3314.061 of the Revised Code. However, unless the total capacity established for the school has been filled, no student with any ~~handicap~~ disability shall be denied admission on the basis of that ~~handicap~~ disability.

(2) That upon admission of any ~~handicapped~~ student with a disability, the community school will comply with all federal and state laws regarding the education of ~~handicapped~~ students with disabilities.

(E) That the school may not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, except that a school may limit its enrollment to students as described in

division (B) of this section.

(F) That the community school will admit the number of students that does not exceed the capacity of the school's programs, classes, grade levels, or facilities.

(G) That the purpose of single-gender schools that are established shall be to take advantage of the academic benefits some students realize from single-gender instruction and facilities and to offer students and parents residing in the district the option of a single-gender education.

(H) That, except as otherwise provided under division (B) of this section or section 3314.061 of the Revised Code, if the number of applicants exceeds the capacity restrictions of division (F) of this section, students shall be admitted by lot from all those submitting applications, except preference shall be given to students attending the school the previous year and to students who reside in the district in which the school is located. Preference may be given to siblings of students attending the school the previous year.

Notwithstanding divisions (A) to (H) of this section, in the event the racial composition of the enrollment of the community school is violative of a federal desegregation order, the community school shall take any and all corrective measures to comply with the desegregation order.

Sec. 3314.061. A governing authority may establish a community school under this chapter that is limited to providing simultaneously special education and related services to a specified number of students identified as autistic and regular educational programs to a specified number of students who are not ~~handicapped~~ disabled. The contract between the governing authority and the school's sponsor shall specify the target ratio of number of autistic students to number of ~~nonhandicapped~~ nondisabled students in the school's population, the total number of autistic students that may be enrolled in the school, and the total number of ~~nonhandicapped~~ nondisabled students that may be enrolled in the school. A school established in accordance with this section is subject to division (H) of section 3314.06 of the Revised Code, except that because the governing authority establishes a separate capacity for autistic students and ~~nonhandicapped~~ nondisabled students, if the number of applicants among the group of autistic students or the group of ~~nonhandicapped~~ students with disabilities exceeds the capacity restrictions for that group, students shall be admitted by lot from all those of that same group submitting applications. However, unless the total capacity established for the school has been filled, no student with any ~~handicap~~ disability shall be denied admission on the basis of that ~~handicap~~ disability.

Sec. 3314.074. Divisions (A) and (B) of this section apply only to the extent permitted under Chapter 1702. of the Revised Code.

(A) If any community school established under this chapter permanently closes and ceases its operation as a community school, the assets of that school shall be distributed first to the retirement funds of employees of the school, employees of the school, and private creditors who are owed compensation, and then any remaining funds shall be paid to the ~~state treasury to the credit of the general revenue fund~~ department of education for redistribution to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. The amount distributed to each school district shall be proportional to the district's share of the total enrollment in the community school.

(B) If a community school closes and ceases to operate as a community school and the school has received computer hardware or software from the former Ohio SchoolNet commission or the eTech Ohio commission, such hardware or software shall be returned to the eTech Ohio commission, and the eTech Ohio commission shall redistribute the hardware and software, to the extent such redistribution is possible, to school districts in conformance with the provisions of the programs operated and administered by the eTech Ohio commission.

(C) If the assets of the school are insufficient to pay all persons or entities to whom compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance with this section and Chapter 1702. 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~~ has the same meaning as in section 3323.01 of the Revised Code.

~~(4)~~(3) "Applicable special education weight" means the multiple specified in section 3317.013 of the Revised Code for a ~~handicap~~ disability described in that section.

~~(5)~~(4) "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)~~(5) "Entitled to attend school" means entitled to attend school in a district under section 3313.64 or 3313.65 of the Revised Code.

~~(7)~~(6) 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)~~(7) "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)~~ to (9) 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)~~(8) "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 (G), (L), and (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 (9) "State education aid" has the same meaning as in section 5751.20 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~~ disability 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~~ children with disabilities 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~~ state education aid calculated for 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~~ state education aid 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 disability 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 disability 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~~

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~~ state education aid 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~~ state education aid 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 disability 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 disability 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 disability 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~~ disability 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~~ children with disabilities 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 and section 3314.13 of the Revised Code 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 and section 3314.13 of the Revised Code. For purposes of this section and section 3314.13 of the Revised Code:

(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 and division (L)(3) of this section 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~~ The department shall determine each community school student's percentage of full-time equivalency shall be considered to be based on the percentage ~~the hours~~ of learning opportunity offered opportunities offered by the community school to that student, reported either as number of hours or number of days, is of ~~nine hundred and twenty hours~~ the total learning opportunities offered by the community school to a student who attends for the school's entire school year. 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. Whether it reports hours or days of learning opportunities, each community school shall offer not less than nine hundred

twenty hours of learning opportunities during the school year.

(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) 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) The department shall not withhold payments to a community school based on a challenge brought by a school district concerning the community school's enrollment and student residency reports submitted to the department without first providing the governing authority of the community school written notice stating the specific grounds for the challenge and requiring the school district to submit evidence supporting its claim that a particular student should not be included in the community school's enrollment or that payment for that student otherwise should be denied. The department also shall permit the governing authority to submit

documentation the governing authority believes confirms or corrects its earlier reports that are subject to challenge. The school district bears the burden of proof. The department shall set a reasonable deadline for the school district and community school to submit documentation regarding the challenge. The department shall not withhold payments pending that deadline. The department immediately shall dismiss any challenge regarding a particular student if the department finds that the school district has not timely submitted evidence as required under this division or otherwise has not met its burden of proof or that the documentation submitted by the governing authority confirms or corrects its earlier reports regarding that student.

(2) If the department finds that the school district has timely submitted evidence and has met its burden of proof and, accordingly, that the particular student for which the district brought the challenge should not be included in the community school's enrollment or that payment otherwise should be denied for that student, the department shall withhold payments to the community school for that student.

If the governing authority of the community school subsequently submits documentation that the department finds confirms or corrects the earlier reports regarding that student, the department shall resume payments to the community school for that student and, if appropriate, shall include payment for the prior months that were withheld.

(3) The department shall not withhold any other payments from a community school without first providing to the governing authority of the community school written notice stating the amount to be withheld, reasons for withholding, and offering an opportunity for a hearing in accordance with division (P)(2) of this section.

(P) (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)~~(Q) 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. 3314.083. If the department of education pays a joint vocational school district under division (G)(4) of section 3317.16 of the Revised Code for excess costs of providing special education and related services to a ~~handicapped~~ student with a disability who is enrolled in a community school, as calculated under division (G)(2) of that section, the department shall deduct the amount of that payment from the amount calculated for payment to the community school under section 3314.08 of the Revised Code.

Sec. 3314.086. If the department of education is required to pay an amount under section 3353.25 of the Revised Code to a school district delivering a course included in the clearinghouse established under section 3353.21 of the Revised Code for a student enrolled in a community school established under this chapter, the department shall deduct the amount of that payment from the amount calculated for payment to the community school under section 3314.08 of the Revised Code.

Sec. 3314.087. (A) As used in this section:

(1) "Career-technical program" means vocational programs or classes described in division (A) or (B) of section 3317.014 of the Revised Code in which a student is enrolled.

(2) "Formula ADM," "category one or two vocational education ADM," and "FTE basis" have the same meanings as in section 3317.02 of the Revised Code.

(3) "Resident school district" means the city, exempted village, or local school district in which a student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(B) Notwithstanding anything to the contrary in this chapter or Chapter 3317. of the Revised Code, a student enrolled in a community school may simultaneously enroll in the career-technical program operated by the student's resident school district. On an FTE basis, the student's resident school district shall count the student in the category one or two vocational education ADM for the proportion of the time the student is enrolled in the district's career-technical program and, accordingly, the department of education shall calculate funds under Chapter 3317. for the district attributable to the student for the proportion of time the student attends the career-technical program. The community school shall count the student in its enrollment report under section 3314.08 of the Revised Code and shall report to the department the proportion of time that the student attends

classes at the community school. The department shall pay the community school and deduct from the student's resident school district the amount computed for the student under section 3314.08 of the Revised Code in proportion to the fraction of the time on an FTE basis that the student attends classes at the community school. "Full-time equivalency" for a community school student, as defined in division (L) of section 3314.08 of the Revised Code, does not apply to the student.

Sec. 3314.091. (A) A school district is not required to provide transportation for any native student enrolled in a community school if the district board of education has entered into an agreement with the community school's governing authority that designates the community school as responsible for providing or arranging for the transportation of the district's native students to and from the community school. For any such agreement to be effective, it must be certified by the superintendent of public instruction as having met all of the following requirements:

(1) It is submitted to the department of education by a deadline which shall be established by the department.

(2) ~~It~~ In accordance with divisions (C)(1) and (2) of this section, it specifies qualifications, such as residing a minimum distance from the school, for students to have their transportation provided or arranged.

(3) The transportation provided by the community school is subject to all provisions of the Revised Code and all rules adopted under the Revised Code pertaining to pupil transportation.

(4) The sponsor of the community school also has signed the agreement.

(B)(1) For the school year that begins on July 1, 2007, a school district is not required to provide transportation for any native student enrolled in a community school, if the community school during the previous school year transported the students enrolled in the school or arranged for the students' transportation, even if that arrangement consisted of having parents transport their children to and from the school, but did not enter into an agreement to transport or arrange for transportation for those students under division (A) of this section, and if the governing authority of the community school by July 15, 2007, submits written notification to the district board of education stating that the governing authority is accepting responsibility for providing or arranging for the transportation of the district's native students to and from the community school.

(2) For any school year subsequent to the school year that begins on July 1, 2007, a school district is not required to provide transportation for any native student enrolled in a community school if the governing authority of the community school, by the thirty-first day of January of the previous

school year, submits written notification to the district board of education stating that the governing authority is accepting responsibility for providing or arranging for the transportation of the district's native students to and from the community school. If the governing authority of the community school has previously accepted responsibility for providing or arranging for the transportation of a district's native students to and from the community school, under division (B)(1) or (2) of this section, and has since relinquished that responsibility under division (B)(3) of this section, the governing authority shall not accept that responsibility again unless the district board consents to the governing authority's acceptance of that responsibility.

(3) A governing authority's acceptance of responsibility under division (B)(1) or (2) of this section shall cover an entire school year, and shall remain in effect for subsequent school years unless the governing authority submits written notification to the district board that the governing authority is relinquishing the responsibility. However, a governing authority shall not relinquish responsibility for transportation before the end of a school year, and shall submit the notice relinquishing responsibility by the thirty-first day of January, in order to allow the school district reasonable time to prepare transportation for its native students enrolled in the school.

(C)(1) A community school governing authority that enters into an agreement to provide transportation under division (A) of this section, or that accepts responsibility under division (B) of this section, shall provide or arrange transportation free of any charge for each of its enrolled students eligible for transportation as specified in who is required to be transported under section 3327.01 of the Revised Code or who would otherwise be transported by the school district under the district's transportation policy. The governing authority shall report to the department of education the number of students transported or for whom transportation is arranged under this section in accordance with rules adopted by the state board of education.

(2) The governing authority may provide or arrange transportation for any other enrolled student who is not eligible for transportation in accordance with division (C)(1) of this section and may charge a fee for such service up to the actual cost of the service.

(2)(3) Notwithstanding anything to the contrary in division (B)(C)(1) or (2) of this section, a community school governing authority shall provide or arrange transportation free of any charge for any disabled student enrolled in the school for whom the student's individualized education program developed under Chapter 3323. of the Revised Code specifies transportation.

(D)(1) If a school district board and a community school governing

authority elect to enter into an agreement under division (A) of this section, the department of education ~~annually shall pay~~ make payments to the community school ~~the amount specified in division (C)(2) of this section for each of the enrolled students for whom the school's governing authority provides or arranges transportation to and from school. The~~ according to the terms of the agreement for each student actually transported under division (C)(1) of this section.

If a community school governing authority accepts transportation responsibility under division (B) of this section, the department shall make payments to the community school for each student actually transported or for whom transportation is arranged by the community school under division (C)(1) of this section, calculated as follows:

(a) For any fiscal year which the general assembly has specified that transportation payments to school districts be based on an across-the-board percentage of the district's payment for the previous school year, the per pupil payment to the community school shall be the following quotient:

(i) The total amount calculated for the school district in which the child is entitled to attend school for student transportation other than transportation of children with disabilities; divided by

(ii) The number of students included in the district's transportation ADM for the current fiscal year, as reported under division (B)(13) of section 3317.03 of the Revised Code, plus the number of students enrolled in the community school not counted in the district's transportation ADM who are transported under division (B)(1) or (2) of this section.

(b) For any fiscal year which the general assembly has specified that the transportation payments to school districts be calculated in accordance with division (D) of section 3317.022 of the Revised Code and any rules of the state board of education implementing that division, the payment to the community school shall be the amount so calculated that otherwise would be paid to the school district in which the student is entitled to attend school by the method of transportation the district would have used. The community school, however, is not required to use the same method to transport that student.

As used in this division "entitled to attend school" means entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(2) The department shall deduct the payment under division (D)(1) of this section from the ~~state payment under Chapter 3317. state education aid,~~ as defined in section 3314.08 of the Revised Code, and, if necessary, the ~~payment under~~ sections 321.14 and 323.156 of the Revised Code, that is otherwise paid to the school district in which the student enrolled in the

community school ~~resides~~ is entitled to attend school. The department shall include the number of the district's native students for whom payment is made to a community school under ~~this division~~ (D)(1) of this section in the calculation of the district's transportation payment under division (D) of section 3317.022 of the Revised Code and the operating appropriations act.

~~(3)~~ (3) A community school shall be paid under ~~this division~~ (D)(1) of this section only for students who are eligible as specified in section 3327.01 of the Revised Code ~~or who are disabled and whose individualized education program requires transportation~~ and division (C)(1) of this section, and whose transportation to and from school is actually provided ~~or, who~~ actually utilized transportation arranged, or for whom a payment in lieu of transportation is made by the community school's governing authority. To qualify for the payments, the community school shall report to the department, in the form and manner required by the department, data on the number of students transported or whose transportation is arranged, the number of miles traveled, cost to transport, and any other information requested by the department.

~~(4)~~ (4) A community school shall use payments received under this ~~division~~ section solely to pay the costs of providing or arranging for the transportation of students who are eligible as specified in section 3327.01 of the Revised Code ~~or who are disabled and whose individualized education program requires transportation~~ and division (C)(1) of this section, which may include payments to a parent, guardian, or other person in charge of a child in lieu of transportation.

~~(2)~~ The payment to a community school governing authority under this section for eligible students shall be made according to the terms of the agreement entered into under this section.

~~(D)~~(E) Except when arranged through payment to a parent, guardian, or person in charge of a child, transportation provided or arranged for by a community school pursuant to an agreement under this section is subject to all provisions of the Revised Code, and all rules adopted under the Revised Code, pertaining to the construction, design, equipment, and operation of school buses and other vehicles transporting students to and from school. The drivers and mechanics of the vehicles are subject to all provisions of the Revised Code, and all rules adopted under the Revised Code, pertaining to drivers and mechanics of such vehicles. The community school also shall comply with sections 3313.201, 3327.09, and 3327.10 ~~and of the Revised Code~~, division (B) of section 3327.16 of the Revised Code and, subject to division (C)(1) of this section, sections 3327.01 and 3327.02 of the Revised Code, as if it were a school district. ~~For purposes of complying with section~~

~~3327.10 of the Revised Code, the educational service center that serves the county in which the community school is located shall be the certifying agency, unless the agreement designates the school district as the certifying agency.~~

Sec. 3314.19. The sponsor of each community school annually shall provide the following assurances in writing to the department of education not later than ten business days prior to the opening of the school:

(A) That a current copy of the contract between the sponsor and the governing authority of the school entered into under section 3314.03 of the Revised Code has been filed with the state office of community schools established under section 3314.11 of the Revised Code and that any subsequent modifications to that contract will be filed with the office;

(B) That the school has submitted to the sponsor a plan for providing special education and related services to students with disabilities and has demonstrated the capacity to provide those services in accordance with Chapter 3323. of the Revised Code and federal law;

(C) That the school has a plan and procedures for administering the achievement tests and diagnostic assessments prescribed by sections 3301.0710 and 3301.0715 of the Revised Code;

(D) That school personnel have the necessary training, knowledge, and resources to properly use and submit information to all databases maintained by the department for the collection of education data, including the education management information system established under section 3301.0714 of the Revised Code in accordance with methods and timelines established under section 3314.17 of the Revised Code;

(E) That all required information about the school has been submitted to the Ohio education directory system or any successor system;

(F) That the school will enroll at least the minimum number of students required by division (A)(11)(a) of section 3314.03 of the Revised Code in the school year for which the assurances are provided;

(G) That all classroom teachers are licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code, except for noncertificated persons engaged to teach up to twelve hours per week pursuant to section 3319.301 of the Revised Code;

(H) That the school's fiscal officer is in compliance with section 3314.011 of the Revised Code;

(I) That the school has complied with section 3319.39 of the Revised Code with respect to all employees who are responsible for the care, custody, or control of a child and that the school has conducted a criminal records check of each of its governing authority members;

(J) That the school holds all of the following:

(1) Proof of property ownership or a lease for the facilities used by the school;

(2) A certificate of occupancy;

(3) Liability insurance for the school, as required by division (A)(11)(b) of section 3314.03 of the Revised Code, that the sponsor considers sufficient to indemnify the school's facilities, staff, and governing authority against risk;

(4) A satisfactory health and safety inspection;

(5) A satisfactory fire inspection;

(6) A valid food permit, if applicable.

(K) That the sponsor has conducted a pre-opening site visit to the school for the school year for which the assurances are provided;

(L) That the school has designated a date it will open for the school year for which the assurances are provided that is in compliance with division (A)(25) of section 3314.03 of the Revised Code;

(M) That the school has met all of the sponsor's requirements for opening and any other requirements of the sponsor.

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)~~(Q)(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 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 as required by this division.

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~~ nondisabled 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 with disabilities, 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 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 2007, payments shall be calculated to reflect the biannual reporting of average daily membership. In fiscal year 2007 and in each fiscal year thereafter, annualized periodic payments for each school district shall be based on the district's final student counts certified pursuant to verified by the superintendent of public instruction based on reports under section 3317.03 of the Revised Code, as adjusted, if so ordered, under division (K) of that section, as follows:

the sum of one-half of the number of students ~~reported~~ verified and adjusted for the first full week in October plus one-half of the average of the numbers ~~reported~~ verified and adjusted 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 pentamester plan the number of days the school was actually open for instruction with pupils in attendance not less than forty-four days in any pentamester.

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. 3317.012. (A) The general assembly, having deliberated on the model with which to calculate the base cost of an adequate education per pupil, has made a policy decision to calculate that amount as consisting of the following building blocks:

- (1) Base classroom teachers;
- (2) Other personnel support, which includes additional teachers, such as music, arts, and physical education teachers funded by state, local, or federal funds or other funds that are above the base cost funding level, and other school personnel including administrators;
- (3) Nonpersonnel support.

This model reflects policy decisions made by the general assembly concerning the cost of base classroom teachers, which decisions entail two policy variables: the number of students per base classroom teacher necessary for an adequate education and the average compensation for a base classroom teacher necessary for an adequate education. The model requires the general assembly to decide the amount of other personnel support necessary for an adequate education, ~~and increase that amount from year to year by the same percentage as it increases the average compensation for base classroom teachers.~~ The model finally requires the general assembly to decide the nonpersonnel costs necessary for an adequate education and to inflate the nonpersonnel costs from year to year using the projected inflationary measure for the gross domestic product deflator (all items) prepared by the bureau of labor statistics of the United States department of labor.

(B)(1) For fiscal year ~~2006~~ 2008, the general assembly has resolved that a ratio of one base classroom teacher per twenty students is necessary for an adequate education. The general assembly has made a policy decision that the average compensation for base classroom teachers is ~~\$53,680~~ \$56,754 for fiscal year ~~2006~~ 2008, which includes an amount for the value of fringe

benefits. For fiscal year ~~2007~~ 2009, the general assembly has resolved that a ratio of one base classroom teacher per twenty students is necessary for an adequate education. The general assembly has made a policy decision that the average compensation for base classroom teachers is ~~\$54,941~~ \$58,621 for fiscal year 2009, which includes an amount for the value of fringe benefits. Based on a ratio of twenty students per base classroom teacher, these amounts equal ~~\$2,684~~ \$2,838 per pupil in fiscal year ~~2006~~ 2008 and ~~\$2,747~~ \$2,931 per pupil in fiscal year ~~2007~~ 2009.

(2) The general assembly has made a policy decision that the per pupil cost of salary and benefits of other personnel support is ~~\$1,807~~ \$1,905 in fiscal year ~~2006~~ 2008. Based on the percentage increase for the ~~average compensation of base classroom teachers~~ per pupil cost of salary and benefits of other personnel support from fiscal year ~~2006~~ 2007 to fiscal year ~~2007~~ 2008, the per pupil cost of other personnel support is ~~\$1,850~~ \$1,962 in fiscal year ~~2007~~ 2009.

(3) The general assembly has made a policy decision that the per pupil cost of nonpersonnel support is ~~\$792~~ \$822 in fiscal year ~~2006~~ 2008 and ~~\$806~~ \$839 in fiscal year ~~2007~~ 2009. The amount for fiscal year ~~2007~~ 2009 reflects the projected inflationary measure for the gross domestic product deflator (all items) of ~~1.80%~~ 2.00%.

(4) Based on the determinations specified in divisions (B)(1) to (3) of this section, the per-pupil base cost is ~~\$5,283~~ \$5,565 in fiscal year ~~2006~~ 2008 and ~~\$5,403~~ \$5,732 in fiscal year ~~2007~~ 2009.

(C) In addition to the per-pupil base cost as determined under divisions (A) and (B) of this section, the general assembly determines that the following base funding supplements shall be paid to each school district:

(1) Base funding for large-group academic intervention for all students, based on 25 hours per group of students per year at an hourly rate of ~~\$20.00~~ \$21.01 in fiscal year ~~2006~~ 2008 and ~~\$20.40~~ \$21.64 in fiscal year ~~2007~~ 2009, as follows:

large-group intervention units X 25 hours X hourly rate

Where:

(a) "Large-group intervention units" equals the district's formula ADM divided by 20;

(b) "Hourly rate" equals ~~\$20.00~~ \$21.01 in fiscal year ~~2006~~ 2008 and ~~\$20.40~~ \$21.64 in fiscal year ~~2007~~ 2009.

(2) Base funding for professional development, phased in according to the following formula:

district's teacher factor X 0.045 X
formula amount X phase-in percentage

Where:

(a) For each school district, the district's "teacher factor" is the district's formula ADM divided by 17;

(b) "Phase-in percentage" equals ~~0.25 in fiscal year 2006 and 0.75 in fiscal year 2007.~~

(3) Base funding for data-based decision making, calculated according to the following formula:

$$0.001 \times \text{formula amount} \times \text{formula ADM}$$

(4) Base funding for professional development regarding data-based decision making, calculated according to the following formula:

$$\begin{aligned} & (0.20 \times \text{the district's teacher factor} \times 0.08 \times \text{formula amount}) + \\ & (\text{the district's principal factor} \times \\ & 0.08 \times \text{formula amount}) \end{aligned}$$

Where:

(a) For each school district, the district's "teacher factor" is the district's formula ADM divided by 17;

(b) For each school district, the district's "principal factor" is the district's formula ADM divided by 340.

(D) The general assembly intends that school districts spend the state funds calculated and paid for each component of the building blocks methodology described in divisions (B)(1) to (3) and (C)(1) to (4) of this section according to the purposes described in those divisions.

Sec. 3317.013. Except for a ~~handicapped~~ preschool child with a disability for whom a scholarship has been awarded under section 3310.41 of the Revised Code, this section does not apply to ~~handicapped~~ preschool ~~students~~ children with disabilities.

Analysis of special education cost data has resulted in a finding that the average special education additional cost per pupil, including the costs of related services, can be expressed as a multiple of the base cost per pupil calculated under section 3317.012 of the Revised Code. The multiples for the following categories of special education programs, as these programs are defined for purposes of Chapter 3323. of the Revised Code, and adjusted as provided in this section, are as follows:

(A) A multiple of 0.2892 for students whose primary or only identified ~~handicap~~ disability is a speech and language ~~handicap~~ disability, as this term is defined pursuant to Chapter 3323. of the Revised Code;

(B) A multiple of 0.3691 for students identified as specific learning disabled or developmentally ~~handicapped~~ disabled, as these terms are defined pursuant to Chapter 3323. of the Revised Code, or as having an other health ~~handicapped-minor~~ impairment-minor;

(C) A multiple of 1.7695 for students identified as hearing ~~handicapped~~ disabled, vision impaired, or severe behavior ~~handicapped disabled~~, as these terms are defined pursuant to Chapter 3323. of the Revised Code;

(D) A multiple of 2.3646 for students identified as orthopedically ~~handicapped disabled~~, as this term is defined pursuant to Chapter 3323. of the Revised Code or as having an other health ~~handicapped~~ major impairment-major;

(E) A multiple of 3.1129 for students identified as ~~multihandicapped~~ having multiple disabilities, as this term is defined pursuant to Chapter 3323. of the Revised Code;

(F) A multiple of 4.7342 for students identified as autistic, having traumatic brain injuries, or as both visually and hearing ~~disabled~~ impaired, as these terms are defined pursuant to Chapter 3323. of the Revised Code.

In fiscal year ~~2004~~ years 2008 and 2009, the multiples specified in divisions (A) to (F) of this section ~~shall be adjusted by multiplying them by 0.88. In fiscal years 2005, 2006, and 2007, the multiples specified in those divisions shall be adjusted by multiplying them by 0.90.~~

Not later than the thirtieth day of ~~May~~ December in ~~2004, 2005, 2006, and 2007, 2008, and 2009~~, the department of education shall submit to the office of budget and management a report that specifies for each city, local, exempted village, and joint vocational school district the fiscal year allocation of the state and local shares of special education and related services additional weighted funding and federal special education funds passed through to the district.

Sec. 3317.014. The average vocational education additional cost per pupil can be expressed as a multiple of the base cost per pupil calculated under section 3317.012 of the Revised Code. ~~the~~ The multiples for the following categories of vocational education programs are as follows:

(A) A multiple of 0.57 for students enrolled in vocational education job-training and workforce development programs approved by the department of education in accordance with rules adopted under section 3313.90 of the Revised Code.

(B) A multiple of 0.28 for students enrolled in vocational education classes other than job-training and workforce development programs.

Vocational education associated services costs can be expressed as a multiple of 0.05 of the base cost per pupil calculated under section 3317.012 of the Revised Code.

~~The general assembly has adjusted the multiples specified in this section for calculating payments beginning in fiscal year 2002 in recognition that its policy change regarding the application of the cost-of-doing-business factor~~

~~produces a higher base cost amount than would exist if no change were made to its application. The adjustment maintains the same weighted costs as would exist if no change were made to the application of the cost-of-doing-business factor.~~

~~The~~ By the thirtieth day of each December, the department of education shall annually report to the governor office of budget and management and the general assembly the amount of weighted funding for vocational education and associated services that is was spent by each city, local, exempted village, and joint vocational school district specifically for vocational educational and associated services during the previous fiscal year.

Sec. 3317.015. (A) In addition to the information certified to the department of education and the office of budget and management under division (A) of section 3317.021 of the Revised Code, the tax commissioner shall, at the same time, certify the following information to the department and the office of budget and management 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 increase in such carryover 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) 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. 3317.016. In addition to its form SF-3, or any successor to that form, the department of education shall publish on its web site a spreadsheet

for each school district that specifies the constituent components of the district's "building blocks" funds, as follows:

(A) For compensation of base classroom teachers, as described in division (B)(1) of section 3317.012 of the Revised Code, each spreadsheet shall specify the district's aggregate and per pupil amounts of state funds and of combined state and local funds, the average compensation decided by the general assembly for base classroom teachers, as specified in that division, and the number of base classroom teachers attributable to the district based on the student-teacher ratio decided by the general assembly, as specified in that division.

(B) Each spreadsheet shall specify the district's aggregate and per pupil amounts of state funds and of combined state and local funds for each of the following:

(1) Other personnel support, as described in division (B)(2) of section 3317.012 of the Revised Code;

(2) Nonpersonnel support, as described in division (B)(3) of that section;

(3) Academic intervention services, as described in division (C)(1) of that section;

(4) Professional development, as described in division (C)(2) of that section;

(5) Data-based decision making, as described in division (C)(3) of that section;

(6) Professional development for data-based decision making, as described in division (C)(4) of that section.

(C) Each spreadsheet shall separately specify the district's aggregate and per pupil state funds for each of the following components of poverty-based assistance under section 3317.029 of the Revised Code:

~~(1) Poverty-based assistance guarantee payment under division (B) of that section;~~

~~(2)~~ Academic intervention funding under division (C) of that section;

~~(3)~~(2) All-day kindergarten under division (D) of that section;

~~(4) Class size reduction~~ (3) Increased classroom learning opportunities under division (E) of that section;

~~(5)~~(4) Services to limited English proficient students under division (F) of that section;

~~(6)~~(5) Professional development, under division (G) of that section;

~~(7)~~(6) Dropout prevention under division (H) of that section;

~~(8)~~(7) Community outreach under division (I) of that section;

(8) Assistance in closing the achievement gap under division (K) of that

section.

Sec. 3317.017. (A) Not later than July 1, 2006, the superintendent of public instruction shall adopt a rule under which the superintendent may issue an order with respect to the spending, by a school district declared to be under an academic watch or in a state of academic emergency under section 3302.03 of the Revised Code, of the following state building block funds intended to pay instructional-related costs:

(1) State funds for compensation of base classroom teachers, as described in division (B)(1) of section 3317.012 of the Revised Code;

(2) State funds for academic intervention services under division (C)(1) of section 3317.012 and division (C) of section 3317.029 of the Revised Code;

(3) State funds for professional development under divisions (C)(2) and (4) of section 3317.012 and division (G) of section 3317.029 of the Revised Code;

(4) State funds for data based decision making under division (C)(3) of section 3317.012 of the Revised Code;

~~(5) The poverty based assistance guarantee payment under division (B) of section 3317.029 of the Revised Code;~~

~~(6)~~ State funds for all-day kindergarten under division (D) of section 3317.029 of the Revised Code;

~~(7)~~(6) State funds for ~~class-size reduction~~ increased classroom learning opportunities under division (E) of section 3317.029 of the Revised Code;

~~(8)~~(7) State funds for services to limited English proficient students under division (F) of section 3317.029 of the Revised Code;

~~(9)~~(8) State funds for dropout prevention under division (H) of section 3317.029 of the Revised Code;

~~(10)~~(9) State funds for community outreach under division (I) of section 3317.029 of the Revised Code;

(10) State funds for assistance in closing the achievement gap under division (K) of section 3317.029 of the Revised Code.

(B) The rule shall authorize the superintendent of public instruction to issue an order that does one or a combination of the following:

(1) Requires the school district to periodically report to the superintendent of public instruction on its spending of the state funds paid for each building blocks component described in divisions (A)(1) to (10) of this section;

(2) Requires the district to establish a separate account for each of the building blocks components described in divisions (A)(1) to (10) of this section to which the district shall credit the state funds paid for each;

(3) Directs the district's spending of any or all of the state funds paid for the components described in divisions (A)(1) to (10) of this section in accordance with the descriptions and requirements of sections 3317.012 and 3317.029 of the Revised Code.

(C) The rule shall specify situations in which the superintendent may issue an order and the types of orders the superintendent will issue for each of those situations. The rule, however, shall authorize the superintendent to issue orders in situations that are not enumerated or described in the rule.

(D) The board of education of each school district to which the superintendent of public instruction issues an order pursuant to the rule adopted under this section shall comply with that order.

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 final number verified by the superintendent of public instruction, based on the number reported pursuant to division (A) of section 3317.03 of the Revised Code, and as adjusted, if so ordered, under division (K) of that section. "Formula ADM" means, for a joint vocational school district, the final number verified by the superintendent of public instruction, based on the number reported pursuant to division (D) of section 3317.03 of the Revised Code, as adjusted, if so ordered, under division (K) of that section. Beginning in fiscal year 2007, for payments in which formula ADM is a factor, the formula ADM for each school district for the fiscal year is the sum of one-half of the number ~~reported~~ verified and adjusted for October of that fiscal year plus one-half of the average of the numbers ~~reported~~ verified and adjusted for October and February of that fiscal year.

(E) "Three-year average formula ADM" means the average of formula ADMs for the ~~current and~~ preceding ~~two~~ three fiscal years.

(F)(1) "Category one special education ADM" means the average daily membership of ~~handicapped~~ children with disabilities receiving special

education services for the ~~handicap~~ disability 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 with disabilities receiving special education services for those ~~handicaps~~ disabilities 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~~ disabilities 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~~ disabilities 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~~ disabilities 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~~ disabilities 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.

(G) "~~Handicapped preschool~~ Preschool child with a disability" means a ~~handicapped~~ child with a disability, 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
Seioto	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

W ood	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)~~~~(O)~~ "Potential value" of a school district means the recognized valuation of a school district plus the tax exempt value of the district.

~~(Q)~~~~(P)~~ "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 and the office of budget and management 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)~~~~(Q)~~ "Statewide median income" means the median district median income of all city, exempted village, and local school districts in the state.

~~(S)~~~~(R)~~ "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)~~~~(S)~~ "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)~~~~(T)~~ A child may be identified as having an "other health handicapped-major impairment-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)~~(U) A child may be identified as having an "other health handicapped-minor impairment-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)~~(T)(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 (G), (L), and (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 (V) "State education aid" has the same meaning as in section 5751.20 of the Revised Code.

~~(X)~~(W) "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.

(X) "Internet- or computer-based community school" has the same meaning as in section 3314.02 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 and the office of budget and management the 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 under division (C) of section 5709.40, division (C) of section 5709.73, or division (B) of section 5709.78 of the Revised Code to the extent that the exempted value results in the charging of payments in lieu of taxes required to be paid to the school district under division (D)(1) or (2) of section 5709.40, division (D) of section 5709.73, or division (C) of section 5709.78 of the Revised Code.

(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;

(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;

(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 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.

(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;

(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;

(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, 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 for the preceding 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 for the preceding 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 and the office of budget and management 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 and the office of budget and management. 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 April of each year thereafter, the director of development shall report to the department of education ~~and~~, the tax commissioner, and the director of budget and management the total amounts of payments received by each city, local, exempted village, or joint vocational school district for the preceding tax year pursuant to 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) 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) of section 5709.73 or division (B) of section 5709.78 of the Revised Code, respectively. On or before April 1, 2006, 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 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, and the director of budget and management 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)(1) The department of education shall compute and distribute state base cost funding to each eligible 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, according to the following for each eligible district formula:~~

~~{ [cost of doing business factor X~~
the formula amount X (formula ADM +
preschool scholarship 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)] ±
the amounts calculated for the district under sections 3317.029 and 3317.0217 of the Revised Code

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 + preschool scholarship 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)(2)(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)(2)(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:

$$\frac{\text{the formula amount X formula ADM} + \text{the sum of the base funding supplements prescribed in divisions (C)(1) to (4) of section 3317.012 of the Revised Code} \pm \text{the sum of the amounts calculated for the district under sections 3317.029 and 3317.0217 of the Revised Code}}{\text{the sum of the amounts calculated for the district under sections 3317.029 and 3317.0217 of the Revised Code}}$$

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 with disabilities whose ~~handicaps~~ disabilities 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~~ disability, including any student whose primary or only ~~handicap~~ disability is a speech and language ~~handicap~~ disability;

(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~~ 3317.024 of the Revised Code;

(e) Any other related service needed by ~~handicapped~~ children with disabilities in accordance with their individualized education ~~plans~~ programs.

(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.

(5) "Preschool scholarship ADM" means the number of ~~handicapped~~ preschool children with disabilities reported under division (B)(3)(h) of section 3317.03 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~~ twenty-seven thousand three hundred seventy-five dollars in fiscal years 2008 and 2009;

(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~~ thirty-two thousand eight hundred fifty dollars in fiscal years 2008 and 2009.

(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~~ 2008 and 2009.

(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:

$$\frac{(\text{formula ADM divided by 2000}) \times \text{the personnel allowance}}{\text{the state share percentage}}$$

(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:

$$\frac{(\text{cost of doing business factor}) \times \text{formula amount}}{\text{the sum of categories one through six special education ADM}} + (\text{total special education weight} \times \text{formula amount})$$

The purposes approved by the department for special education expenses shall include, but shall not be limited to, identification of

~~handicapped~~ children with disabilities, compliance with state rules governing the education of ~~handicapped~~ children with disabilities and prescribing the continuum of program options for ~~handicapped~~ children with disabilities, 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 scholarships deducted from the school district's account under section 3310.41 or 3310.55 of the Revised Code shall be considered to be an approved special education and related services expense for the purpose of the school district's compliance with division (C)(5) of this section.

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.

The scholarships deducted from the school district's account under section 3310.55 of the Revised Code for students counted in the district's category one special education ADM shall be considered to be an approved speech language pathology services expense for the purpose of the school district's compliance with division (C)(6) 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 for preschool children with disabilities, 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:

$$\frac{\text{(per rough mile subsidy X total rough road miles)}}{\text{X density multiplier}}$$

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:

$$1 - [(\text{minimum student density} - \text{district student density}) / (\text{minimum student density} - \text{statewide student density})]$$

(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 (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:

$$\frac{\text{state share percentage X .05 X the formula amount X}}{\text{the sum of categories one and two vocational education ADM}}$$

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:

$$(1 - \text{state share percentage}) \times \\ [(\text{total vocational education weight} \times \\ \text{the formula amount}) + \text{the payment under} \\ \text{division (E)(2) of this section}]$$

Sec. 3317.023. (A) Notwithstanding section 3317.022 of the Revised Code, the amounts required to be paid to a district under this chapter shall be adjusted by the amount of the computations made under divisions (B) to ~~(O)~~(P) of this section.

As used in this section:

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

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

(3) "Annual salary" means the annual base salary stated in the state minimum salary schedule for the performance of the teacher's regular teaching duties that the teacher earns for services rendered for the first full

week of October of the fiscal year for which the adjustment is made under division (C) of this section. It shall not include any salary payments for supplemental teachers contracts.

(4) "Regular student population" means the formula ADM plus the number of students reported as enrolled in the district pursuant to division (A)(1) of section 3313.981 of the Revised Code; minus the number of students reported under division (A)(2) of section 3317.03 of the Revised Code; minus the FTE of students reported under division (B)(6), (7), (8), (9), (10), (11), or (12) of that section who are enrolled in a vocational education class or receiving special education; and minus twenty per cent of the students enrolled concurrently in a joint vocational school district.

(5) "State share percentage" has the same meaning as in section 3317.022 of the Revised Code.

(6) "VEPD" means a school district or group of school districts designated by the department of education as being responsible for the planning for and provision of vocational education services to students within the district or group.

(7) "Lead district" means a school district, including a joint vocational school district, designated by the department as a VEPD, or designated to provide primary vocational education leadership within a VEPD composed of a group of districts.

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

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

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

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

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

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

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

The number of full-time equivalent classroom teachers used in this computation shall not exceed one twenty-fifth of the district's regular student population. In calculating the district's mean salary under this

division, those full-time equivalent classroom teachers with the highest training level shall be counted first, those with the next highest training level second, and so on, in descending order. Within the respective training levels, teachers with the highest years of service shall be counted first, the next highest years of service second, and so on, in descending order.

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

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

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

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

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

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

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

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

(H) If the district has received a loan from a commercial lending institution for which payments are made by the superintendent of public

instruction pursuant to division (E)(3) of section 3313.483 of the Revised Code, deduct an amount equal to such payments.

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

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

(J) If the district is required to pay an amount of funds to a cooperative education district pursuant to a provision described by division (B)(4) of section 3311.52 or division (B)(8) of section 3311.521 of the Revised Code, deduct such amounts as provided under that provision and credit those amounts to the cooperative education district for payment to the district under division (B)(1) of section 3317.19 of the Revised Code.

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

(a) An amount equal to the ~~greater of the following:~~

~~(i) The fiscal year 2005 formula amount times the fiscal year 2005 cost of doing business factor of the school district where the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code;~~

~~(ii) The sum of (the current formula amount times the current cost of doing business factor of the school district when the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code) 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.~~

(b) An amount equal to the current formula amount times the state share percentage times any multiple applicable to the student pursuant to section 3317.013 or 3317.014 of the Revised Code.

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

(3) If the district is required by a shared education contract, compact, or cooperative education agreement to make payments to an educational

service center, deduct the amounts from payments to the district and add them to the amounts paid to the service center pursuant to section 3317.11 of the Revised Code.

(L)(1) If a district, including a joint vocational school district, is a lead district of a VEPD, credit to that district the amounts calculated for all the school districts within that VEPD pursuant to division (E)(2) of section 3317.022 of the Revised Code.

(2) Deduct from each appropriate district that is not a lead district, the amount attributable to that district that is credited to a lead district under division (L)(1) of this section.

(M) If the department pays a joint vocational school district under division (G)(4) of section 3317.16 of the Revised Code for excess costs of providing special education and related services to a ~~handicapped~~ student with a disability, as calculated under division (G)(2) of that section, the department shall deduct the amount of that payment from the city, local, or exempted village school district that is responsible as specified in that section for the excess costs.

(N)(1) If the district reports an amount of excess cost for special education services for a child under division (C) of section 3323.14 of the Revised Code, the department shall pay that amount to the district.

(2) If the district reports an amount of excess cost for special education services for a child under division (C) of section 3323.14 of the Revised Code, the department shall deduct that amount from the district of residence of that child.

(O) If the department of job and family services presents to the department of education a payment request through an intrastate transfer voucher for the nonfederal share of reimbursements made to a school district for medicaid services provided by the district, the department of education shall pay the amount of that request to the department of job and family services and shall deduct the amount of that payment from the district.

(P) If the department is required to pay an amount under section 3353.25 of the Revised Code to a school district delivering a course included in the clearinghouse established under section 3353.21 of the Revised Code for a student enrolled in a school district, the department shall deduct that amount from the school district in which the student is enrolled.

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 (I), (K), (L), and (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 (G) and (L) of

this section, to educational service centers as provided in section 3317.11 of the Revised Code; in the case of divisions (D) and (J) of this section, to county MR/DD boards; in the case of division (N) of this section, to joint vocational school districts; in the case of division (H) of this section, to cooperative education school districts; and in the case of division (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) 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.

(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.

(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.

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

(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.

(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.

(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.

(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.

(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.

(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;

(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.

(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.

(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.

(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~~ 2008 and 2009.

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. 3317.025. On or before the first day of June of each year, the tax commissioner shall certify the following information to the department of education and the office of budget and management, for each school district in which the value of the property described under division (A) of this section exceeds one per cent of the taxable value of all real and tangible personal property in the district or in which is located tangible personal property designed for use or used in strip mining operations, whose taxable value exceeds five million dollars, and the taxes upon which the district is precluded from collecting by virtue of legal proceedings to determine the value of such property:

(A) The total taxable value of all property in the district owned by a public utility or railroad that has filed a petition for reorganization under the "Bankruptcy Act," 47 Stat. 1474 (1898), 11 U.S.C. 205, as amended, and all tangible personal property in the district designed for use or used in strip mining operations whose taxable value exceeds five million dollars upon which have not been paid in full on or before the first day of April of that calendar year all real and tangible personal property taxes levied for the preceding calendar year and which the district was precluded from collecting by virtue of proceedings under section 205 of said act or by virtue of legal proceedings to determine the tax liability of such strip mining equipment;

(B) The percentage of the total operating taxes charged and payable for school district purposes levied against such valuation for the preceding calendar year that have not been paid by such date;

(C) The product obtained by multiplying the value certified under division (A) of this section by the percentage certified under division (B) of this section. If the value certified under division (A) of this section includes taxable property owned by a public utility or railroad that has filed a petition for reorganization under the bankruptcy act, the amount used in making the calculation under this division shall be reduced by one per cent of the total value of all real and tangible personal property in the district or the value of the utility's or railroad's property, whichever is less.

Upon receipt of the certification, the department shall recompute the payments required under section 3317.022 of the Revised Code in the manner the payments would have been computed if:

(1) The amount certified under division (C) of this section was not subject to taxation by the district and was not included in the certification made under division (A)(1), (A)(2), or (D) of section 3317.021 of the Revised Code.

(2) The amount of taxes charged and payable and unpaid and used to make the computation under division (B) of this section had not been levied and had not been used in the computation required by division (B) of section 3317.021 of the Revised Code. The department shall pay the district that amount in the ensuing fiscal year in lieu of the amounts computed under section 3317.022 of the Revised Code.

If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised Code on the basis of the same circumstances for which a recomputation is made under this section, the amount of the recomputation shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised Code.

Sec. 3317.026. (A) As used in this section, "refunded taxes" means taxes charged and payable from real and tangible personal property, including public utility property, that have been found to have been overpaid as the result of reductions in the taxable value of such property and that have been refunded, including any interest or penalty refunded with those taxes. If taxes are refunded over a period of time pursuant to division (B)(2), (3), or (4) of section 319.36 or division (C) of section 5727.471 of the Revised Code, the total amount of taxes required to be refunded, excluding any interest accruing after the day the undertaking is entered into, shall be considered to have been refunded on the day the first portion of the

overpayment is paid or credited.

(B) Not later than the last day of February each year, each county auditor shall certify to the tax commissioner, for each school district in the county, the amount of refunded taxes refunded in the preceding calendar year and the reductions in taxable value that resulted in those refunds, except for reductions in taxable value that previously have been reported to the tax commissioner on an abstract. If the tax commissioner determines that the amount of refunded taxes certified for a school district exceeds three per cent of the total taxes charged and payable for current expenses of the school district for the calendar year in which those taxes were refunded, the tax commissioner shall certify the reductions in taxable value that resulted in those refunds on or before the first day of June to the department of education and the office of budget and management. Upon receiving the certification by the tax commissioner, the department of education shall reduce the total taxable value of the school district, as defined in section 3317.02 of the Revised Code, by the total amount of the reductions in taxable value that resulted in those refunds for the purpose of computing the ~~SF-3 payment~~ state education aid for the school district for the current fiscal year. The increase in the amount of such aid resulting from the adjustment required by this section shall be paid to the school district ~~on or before the thirty-first day of July of the following fiscal year~~. The payment date shall be determined by the director of budget and management. The director shall select a payment date that is not earlier than the first day of June of the current fiscal year and not later than the thirty-first day of July of the following fiscal year. The department of education shall not pay the district under this section prior to approval by the director of budget and management to make that payment.

If an adjustment is made under this division in the amount of state aid paid to a school district, the tax value reductions from which that adjustment results shall not be used in recomputing aid to a school district under section 3317.027 of the Revised Code.

(C) If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised Code on the basis of the same circumstances for which an adjustment is made under this section, the amount of the adjustment shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised Code.

(D) Not later than the first day of June each year, the tax commissioner shall certify to the department of education and the office of budget and management for each school district the total of the increases in taxable

value above the amount of taxable value on which tax was paid, as provided in division (B)(1) or (2) of section 5727.47 of the Revised Code, as determined by the commissioner, and for which a notification was sent pursuant to section 5727.471 of the Revised Code, in the preceding calendar year. Upon receiving the certification, the department shall increase the total taxable value, as defined in section 3317.02 of the Revised Code, of the school district by the total amount of the increase in taxable value certified by the commissioner for the school district for the purpose of computing the school district's ~~SF-3 payment~~ state education aid for the following fiscal year.

Sec. 3317.027. On or before the fifteenth day of May of each year, the tax commissioner shall certify to the department of education and the office of budget and management:

(A) The amount by which applications filed under section 5713.38 of the Revised Code or complaints filed under section 5715.19 of the Revised Code resulted in a reduction in the second preceding year's taxable value in each school district in which such a reduction occurred, and the amount by which such reduction reduced the district's taxes charged and payable for such year; and

(B) The taxes charged and payable for the second preceding tax year that were remitted under section 5713.081 of the Revised Code and the taxable value against which such taxes were imposed.

Upon receipt of such certifications, the department shall recompute the district's ~~SF-3 payment~~ state education aid and determine the amount that the ~~SF-3 payment~~ state education aid would have been ~~paid~~ had the taxable value not been used in the computation made under division (A)(1) of section 3317.021 of the Revised Code and had the taxes charged and payable not been included in the certification made under division (A)(3) of such section. The department shall calculate the amount that the remainder of the fiscal year's payments should have been for the fiscal year including the amount of the ~~SF-3 payment~~ state education aid as recomputed. The increase or decrease in the amount of aid resulting from the adjustment required under this section shall be paid to the school district ~~on or before the thirty-first day of July of the following fiscal year.~~ The payment date shall be determined by the director of budget and management. The director shall select a payment date that is not earlier than the first day of June of the current fiscal year and not later than the thirty-first day of July of the following fiscal year. The department of education shall not pay the district under this section prior to approval by the director of budget and management to make that payment.

If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised Code on the basis of the same circumstances for which a recomputation is made under this section, the amount of the recomputation shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised Code.

Sec. 3317.028. (A) On or before the fifteenth day of May in each calendar year prior to calendar year 2007, the tax commissioner shall determine for each school district whether the taxable value of all tangible personal property, including utility tangible personal property, subject to taxation by the district in the preceding tax year was less or greater than the taxable value of such property during the second preceding tax year. If any such decrease exceeds five per cent of the district's tangible personal property taxable value included in the total taxable value used in computing the district's ~~SF-3 payment~~ state education aid for the fiscal year that ends in the current calendar year, or if any such increase exceeds five per cent of the district's total taxable value used in computing the district's ~~SF-3 payment~~ state education aid for the fiscal year that ends in the current calendar year, the tax commissioner shall certify both of the following to the department of education and the office of budget and management:

(1) The taxable value of the tangible personal property increase or decrease, including utility tangible personal property increase or decrease, which shall be considered a change in valuation;

(2) The decrease or increase in taxes charged and payable on such change in taxable value calculated in the same manner as in division (A)(3) of section 3317.021 of the Revised Code.

(B) On or before May 15, 2007, and the fifteenth day of May in each calendar year thereafter, the tax commissioner shall determine for each school district whether the taxable value of all utility tangible personal property subject to taxation by the district in the preceding tax year was less or greater than the taxable value of such property during the second preceding tax year. If any decrease exceeds five per cent of the district's tangible personal property taxable value included in the total taxable value used in the district's state aid computation for the fiscal year that ends in the current calendar year, or if any increase exceeds five per cent of the district's total taxable value used in the district's state education aid computation for the fiscal year that ends in the current calendar year, the tax commissioner shall certify both of the following to the department of education and the office of budget and management:

(1) The taxable value of the utility tangible personal property increase or

decrease, which shall be considered a change in valuation;

(2) The decrease or increase in taxes charged and payable on such change in taxable value calculated in the same manner as in division (A)(3) of section 3317.021 of the Revised Code.

(C) Upon receipt of a certification specified in this section, the department of education shall reduce or increase by the respective amounts certified and the taxable value and the taxes charged and payable that were used in computing the district's ~~SF-3 payment~~ state education aid for the fiscal year that ends in the current calendar year and shall recompute the ~~SF-3 payment~~ state education aid for such fiscal year. The department shall ~~pay the district a sum equal to one-half of the recomputed payments in lieu of the payments otherwise required under that section on or before the thirty-first day of July of the following fiscal year~~ to or deduct from the district an amount equal to one-half of the difference between the district's state education aid prior to the recomputation under this section and the district's recomputed state education aid. The payment date shall be determined by the director of budget and management. The director shall select a payment date that is not earlier than the first day of June of the current fiscal year and not later than the thirty-first day of July of the following fiscal year. The department of education shall not pay the district under this section prior to approval by the director of budget and management to make that payment.

(D) If a school district received a grant from the catastrophic expenditures account pursuant to division (C) of section 3316.20 of the Revised Code on the basis of the same circumstances for which a recomputation is made under this section, the amount of the recomputation shall be reduced and transferred in accordance with division (C) of section 3316.20 of the Revised Code.

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 for the preceding five years, 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 for the preceding five years, 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 for the preceding five years, 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), (f), or (g) 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), (f), or (g) 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) "All-day kindergarten ADM" means the number of students reported under section 3317.03 of the Revised Code as enrolled in all-day kindergarten, excluding any kindergarten students reported under division (B)(3)(e), (f), or (g) of that section.

(10) "Academic distress percentage" means the quotient of the number of district-operated buildings in the school district designated under section 3302.03 of the Revised Code as in a state of academic watch or academic emergency, divided by the total number of buildings in the district that were open for instruction during the same school year to which the ratings apply.

(11) "Statewide academic distress percentage" means the quotient of the statewide number of school district buildings and community schools

designated under section 3302.03 of the Revised Code as in a state of academic watch or academic emergency, divided by the statewide total number of school district buildings and community schools that were open for instruction during the same school year to which the ratings apply.

(12) "Academic distress index" means the quotient of the school district's academic distress percentage, divided by the statewide academic distress percentage.

(13) "Buildings with the highest concentration of need" means the school buildings in a district with that meet either of the following criteria:

(a) Are in school improvement status pursuant to the "No Child Left Behind Act of 2001," as defined in section 3302.01 of the Revised Code;

(b) Have 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. However, the district shall give priority to any of those buildings that have been declared to be in a state of academic watch or academic emergency under section 3302.03 of the Revised Code.

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~~ The department of education shall compute ~~and distribute to~~ for 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) and (K) of this section and shall pay that sum to the district in accordance with~~

division (A) of section 3317.022 of the Revised Code.

(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:

$$\begin{aligned} & \text{large-group intervention units X hourly rate X} \\ & \text{level one hours X [(poverty index - 0.25)/0.5]} \\ & \quad \text{X ~~phase in percentage~~} \end{aligned}$$

Where:

(i) "Large-group intervention units" equals the district's formula ADM divided by 20;

(ii) "Hourly rate" equals ~~\$20.00~~ \$21.01 in fiscal year ~~2006~~ 2008 and ~~\$20.40~~ \$21.64 in fiscal year ~~2007~~ 2009;

(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:

$$\begin{aligned} & \text{large-group intervention units X hourly rate X} \\ & \text{level one hours X ~~phase in percentage~~} \end{aligned}$$

Where "large-group intervention units," "hourly rate," and "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:

$$\begin{aligned} & \text{medium-group intervention units X hourly rate} \\ & \text{X \{level one hours + [25 hours X ((poverty index - 0.75)/0.75)]\}} \\ & \quad \text{X ~~phase in percentage~~} \end{aligned}$$

Where:

(i) "Medium group intervention units" equals the district's formula ADM divided by 15;

(ii) "Hourly rate;" and "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:

$$\text{medium-group intervention units X hourly rate X}$$

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"~~ has the same ~~meanings~~ meaning 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:

small group intervention units X hourly rate X
{level one hours + [level three hours X
(poverty index - 1.50)]} ~~X 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," and "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:

small group intervention units X hourly rate
X level three hours ~~X 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"~~ has the same ~~meanings~~ meaning 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 for increased classroom learning opportunities 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~~ \$56,754 in fiscal year ~~2006~~ 2008 and ~~\$54,941~~ \$58,621 in fiscal year ~~2007~~ 2009, 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~~ years 2008 and 2009. 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. that receive more than ten thousand dollars under this section.~~ Each such district shall use funds paid under this section only for one or more of the following purposes:

~~(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 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.~~ ADM:

~~(2) Except as permitted under division (J)(1) of this section, each school district shall use its payment under division (F) of this section for To provide services to students with limited English proficiency through one or more of the following purposes activities:~~

~~(a) To hire Hiring teachers for limited English proficient students or other personnel to provide intervention services for those students;~~

~~(b) To contract Contracting for intervention services for those students;~~

~~(c) To provide Providing 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) Except as permitted under division (J)(1) of this section, each school district shall use its payment under division (G) of this section for~~ To provide 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~~ High quality professional development activities that are research-based, as defined ~~in federal law~~ by state standards developed under section 3319.61 of the Revised Code;

(d) Professional learning communities.

~~In addition, each district that elects to use funds paid under this section for professional development 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) 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 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 2007, the department of education shall provide each big eight school district receiving a payment under this section 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) 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~~ 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 in accordance with safe school guidelines adopted by the state board of education;

(c) To implement academic intervention services described in division (J)(6) of this section.

(6) 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, designed in accordance with student intervention guidelines adopted by the state board, 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. 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 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~~ For increased classroom learning opportunities by 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, who are engaged in classroom support activities;

(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.

(8) For early childhood programs or early learning programs, as defined by the department of education, for children age three or four who are not eligible for kindergarten;

(9) To furnish, 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;

(10) For programs designed to reduce nonacademic barriers to learning, in accordance with guidelines developed by the department of education;

(11) For start-up costs associated with school breakfast programs provided pursuant to section 3313.813 of the Revised Code.

A school district may apply to the department, in the form and manner prescribed by the department, for a waiver to spend funds paid under this section for programs not described in divisions (J)(1) to (11) of this section. The waiver application shall specify the rationale for the alternative expenditure and the intended benefits for disadvantaged students. If the department grants the waiver, the district may use funds paid under this section to implement the alternative program.

~~(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. A payment for assistance in closing the achievement gap, calculated as follows:~~

(1) In fiscal year 2008 the department shall pay each school district that has both a poverty index that is greater than or equal to 1.0 and an academic distress index, as determined based on the most recent report card issued under section 3302.03 of the Revised Code, that is greater than or equal to 1.0, an amount calculated in accordance with the following formula:

$$\frac{\text{poverty index} \times \text{academic distress index}}{(0.0015 \times \text{formula amount}) \times \text{formula ADM}}$$

(2) In fiscal year 2009:

(a) If the district received a payment under division (K)(1) of this section for fiscal year 2008, and its academic distress percentage for fiscal year 2009, as determined based on the most recent report card issued under section 3302.03 of the Revised Code, is less than its academic distress percentage for fiscal year 2008, the department shall pay the district the product of its payment under division (K)(1) of this section for fiscal year 2008 times 1.035.

(b) If the district received a payment under division (K)(1) of this section for fiscal year 2008, and its academic distress percentage for fiscal year 2009, as determined based on the most recent report card issued under section 3302.03 of the Revised Code, is greater than or equal to its academic distress percentage for fiscal year 2008, the department shall pay the district the same amount as its payment under division (K)(1) of this section for fiscal year 2008.

(c) If the district did not receive a payment under division (K)(1) of this section for fiscal year 2008, and it has both a poverty index that is greater than or equal to 1.0 and an academic distress index, as determined based on the most recent report card issued under section 3302.03 of the Revised Code, that is greater than or equal to 1.0 for fiscal year 2009, the department shall pay the district an amount calculated in accordance with the following formula:

$$\frac{\text{poverty index} \times \text{academic distress index}}{(0.0015 \times \text{formula amount}) \times \text{formula ADM}}$$

(L)(1) By the first day of August of each fiscal year, each This division

applies only to funds paid under division (K)(2)(b) of this section.

(1) If applicable, each school district shall use the funds for any necessary expenses for the continued operation of a school district academic distress commission appointed under section 3302.10 of the Revised Code.

(2) After satisfying the requirement of division (L)(1) of this section, each district shall spend the remaining funds only for one or more of the following purposes and only in buildings with the highest concentration of need:

(a) Assistance in improving student performance;

(b) Professional development for teachers and administrators;

(c) Assistance in recruiting and retaining teachers and administrators.

~~(M)(1) 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 the number of students attending all-day kindergarten percentage when reporting formula ADM under section 3317.03 of the Revised Code. 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, 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)(2) Each school district with a poverty index less than 1.0 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 division 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)(N) 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) 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)(O)~~ 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~~ fewer than the number of all-day kindergarten ~~percentage~~ students 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~~ ADM and the ~~percentage actually enrolled in~~ actual all-day kindergarten ADM.

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)(P)~~(1) A district may use a portion of the funds ~~calculated for it~~ paid 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 paid under 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.

(Q) Not later than the thirtieth day of September each year, each school district paid more than ten thousand dollars under this section shall report to the department, in the form and manner prescribed by the department, how the district deployed funds received under this section in the prior fiscal year. If a school district does not meet adequate progress standards as defined by the department, the department shall make recommendations to the district for deploying funds under this section in a more effective

manner.

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 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~~ March 30, 2006, 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. 3317.0217. The Payment of the amount calculated for a school district under this section shall be made under division (A) of section 3317.022 of the Revised Code.

The department of education shall annually compute ~~and pay~~ state parity aid to school districts, as follows:

(A) Calculate the local wealth per pupil of each school district, which equals the following sum:

(1) Two-thirds times the quotient of (a) the district's recognized valuation divided by (b) its formula ADM; plus

(2) One-third times the quotient of (a) the average of the total federal adjusted gross income of the school district's residents for the three years most recently reported under section 3317.021 of the Revised Code divided by (b) its formula ADM.

(B) Rank all school districts in order of local wealth per pupil, from the district with the lowest local wealth per pupil to the district with the highest local wealth per pupil.

(C) Compute the per pupil state parity aid funding for each eligible school district in accordance with the following formula:

$$\frac{\text{(threshold local wealth per pupil - the district's local wealth per pupil)}}{\text{0.0075}} \text{ parity millage}$$

Where:

(1) ~~Seven and one-half mills (0.0075) is an adjustment to the original parity aid standard of nine and one-half mills, to account for the general assembly's policy decision to phase out use of the cost of doing business factor in the base cost formula~~ In fiscal year 2008, an "eligible school district" means a school district with a local wealth per pupil less than that of the school district with the four-hundred-eleventh lowest local wealth per pupil. In fiscal year 2009, an "eligible school district" means a school district with a local wealth per pupil less than that of the school district with the three-hundred-sixty-eighth lowest local wealth per pupil.

(2) The "threshold local wealth per pupil" is the local wealth per pupil of the school district with the four-hundred-ninetieth lowest local wealth per pupil.

(3) "Parity millage," in fiscal year 2008, equals 0.0080 and, in fiscal year 2009, equals 0.0085.

If the result of the calculation for a school district under division (C) of this section is less than zero, the district's per pupil parity aid shall be zero.

(D) Compute the per pupil alternative parity aid for each school district

that has a combination of an income factor of 1.0 or less, a poverty index of 1.0 or greater, and a fiscal year 2005 cost-of-doing-business factor of 1.0375 or greater, in accordance with the following formula:

$$\text{Payment percentage} \times \$60,000 \times \\ (1 - \text{income factor}) \times 4/15 \times 0.023$$

Where:

(1) "Poverty index" has the same meaning as in section 3317.029 of the Revised Code.

(2) "Payment percentage," for purposes of division (D) of this section, equals 50% in fiscal year 2002 and 100% after fiscal year 2002.

(3) "Fiscal year 2005 cost-of-doing-business factor" means the cost-of-doing-business factor in effect for fiscal year 2005 designated under former division (N) of section 3317.02 of the Revised Code as that division existed in fiscal year 2005.

(E) Pay each district that has a combination of an income factor of 1.0 or less, a poverty index of 1.0 or greater, and a fiscal year 2005 cost-of-doing-business factor of 1.0375 or greater, the greater of the following:

(1) The product of the district's per pupil parity aid calculated under division (C) of this section times its net formula ADM;

(2) The product of its per pupil alternative parity aid calculated under division (D) of this section times its net formula ADM.

(F) Pay every other district the product of its per pupil parity aid calculated under division (C) of this section times its net formula ADM.

(G) As used in divisions (E) and (F) of this section, "net formula ADM" means formula ADM minus the number of internet- and computer-based community school students and scholarship students reported under divisions (B)(3)(e), (f), and (g) of section 3317.03 of the Revised Code.

Sec. 3317.03. Notwithstanding divisions (A)(1), (B)(1), and (C) of this section, except as provided in division (A)(2)(h) 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 2007, each superintendent also shall certify to the state board, for the schools under the superintendent's supervision, the formula ADM for the 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;

(e) Students receiving services in the district through a scholarship awarded under either section 3310.41 or sections 3310.51 to 3310.63 of the Revised Code.

(2) On an FTE basis, except as provided in division (A)(2)(h) of this section, 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. or a science, technology, engineering, and mathematics school established under Chapter 3326. 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;

(h) An alternative public provider or a registered private provider with a scholarship awarded under either section 3310.41 or sections 3310.51 to 3310.63 of the Revised Code. Each such scholarship student who is enrolled in kindergarten shall be counted as one full-time-equivalent student.

As used in this section, "alternative public provider" and "registered private provider" have the same meanings as in section 3310.41 or 3310.51 of the Revised Code, as applicable.

(i) A science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in the school.

(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 with disabilities, other than ~~handicapped~~ preschool children with disabilities, entitled to attend school in the district pursuant to section 3313.64 or 3313.65 of the Revised Code who are placed by the district 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) Beginning in fiscal year 2007, in the case of the report submitted for the 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 with disabilities 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. or a science, technology, engineering, and mathematics school established under Chapter 3326. 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) Enrolled in kindergarten through grade twelve in an alternative public provider or a registered private provider with a scholarship awarded under either section 3310.41 or sections 3310.51 to 3310.63 of the Revised Code;

(h) Enrolled as a ~~handicapped~~ preschool child with a disability in an alternative public provider or a registered private provider with a

scholarship awarded under section 3310.41 of the Revised Code;

(i) Participating in a program operated by a county MR/DD board or a state institution;

(j) Enrolled in a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code, including any participation in a college pursuant to Chapter 3365. of the Revised Code while enrolled in the school.

(4) The number of pupils enrolled in joint vocational schools;

(5) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) of this section receiving special education services for the category one ~~handicap~~ disability described in division (A) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under sections 3310.51 to 3310.63 of the Revised Code;

(6) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) of this section receiving special education services for category two ~~handicaps~~ disabilities described in division (B) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under sections 3310.51 to 3310.63 of the Revised Code;

(7) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) of this section receiving special education services for category three ~~handicaps~~ disabilities described in division (C) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under sections 3310.51 to 3310.63 of the Revised Code;

(8) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) of this section receiving special education services for category four ~~handicaps~~ disabilities described in division (D) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under sections 3310.51 to 3310.63 of the Revised Code;

(9) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) of this section

receiving special education services for the category five ~~handicap~~ disabilities described in division (E) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under sections 3310.51 to 3310.63 of the Revised Code;

(10) The combined average daily membership of ~~handicapped~~ children with disabilities reported under division (A)(1) or (2) and under division (B)(3)(h) of this section receiving special education services for category six ~~handicaps~~ disabilities described in division (F) of section 3317.013 of the Revised Code, including children attending a special education program operated by an alternative public provider or a registered private provider with a scholarship awarded under either section 3310.41 or sections 3310.51 to 3310.63 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 with disabilities, the district placed with a county MR/DD board in fiscal year 1998;

(b) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county

MR/DD board in the current fiscal year to receive special education services for the category one ~~handicap~~ disability described in division (A) of section 3317.013 of the Revised Code;

(c) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county MR/DD board in the current fiscal year to receive special education services for category two ~~handicaps~~ disabilities described in division (B) of section 3317.013 of the Revised Code;

(d) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county MR/DD board in the current fiscal year to receive special education services for category three ~~handicaps~~ disabilities described in division (C) of section 3317.013 of the Revised Code;

(e) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county MR/DD board in the current fiscal year to receive special education services for category four ~~handicaps~~ disabilities described in division (D) of section 3317.013 of the Revised Code;

(f) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county MR/DD board in the current fiscal year to receive special education services for the category five ~~handicap~~ disabilities described in division (E) of section 3317.013 of the Revised Code;

(g) The number of ~~handicapped~~ children with disabilities, other than ~~handicapped~~ preschool children with disabilities, placed with a county MR/DD board in the current fiscal year to receive special education services for category six ~~handicaps~~ disabilities 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. or a science, technology, engineering, and mathematics school established under Chapter 3326. 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 or the science, technology, engineering, and mathematics school for purposes of section 3314.08 or 3326.33 of the Revised Code. Notwithstanding the number of students reported pursuant to division (B)(3)(d), (e), or (j) of this section, the department may adjust the formula ADM of a school district to account for students entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code who are enrolled in a community school or a science, technology, engineering, and mathematics school for only a portion of the school year.

(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~~ disability 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 2007, each superintendent also shall certify to the state superintendent the formula ADM for the 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. or a science, technology, engineering, and mathematics school established under Chapter 3326. 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 or the science, technology, engineering, and mathematics 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. Beginning in fiscal year 2007, in the case of the report submitted for the 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~~ Children with disabilities receiving special education services for the category one ~~handicap~~ disability described in division (A) of section 3317.013 of the Revised Code;

(c) ~~Handicapped children~~ Children with disabilities receiving special education services for the category two ~~handicaps~~ disabilities described in division (B) of section 3317.013 of the Revised Code;

(d) ~~Handicapped children~~ Children with disabilities receiving special education services for category three ~~handicaps~~ disabilities described in division (C) of section 3317.013 of the Revised Code;

(e) ~~Handicapped children~~ Children with disabilities receiving special education services for category four ~~handicaps~~ disabilities described in division (D) of section 3317.013 of the Revised Code;

(f) ~~Handicapped children~~ Children with disabilities receiving special education services for the category five ~~handicap~~ disabilities described in division (E) of section 3317.013 of the Revised Code;

(g) ~~Handicapped children~~ Children with disabilities receiving special education services for category six ~~handicaps~~ disabilities 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 with disabilities 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 2006.

(2) If on the first school day of April the total number of classes or units for ~~handicapped~~ preschool children with disabilities 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. or a science, technology, engineering, and mathematics school established under Chapter 3326. 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 or the science, technology, engineering, and mathematics school during the week for which the formula ADM is being certified.

(4) If a student awarded an educational choice scholarship is not included in the formula ADM of the school district from which the

department deducts funds for the scholarship under section 3310.08 of the Revised Code, the department shall adjust the formula ADM of that school district to include the student to the extent necessary to account for the deduction, 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 chartered nonpublic school, the school district, or a community school during the week for which the formula ADM is being certified.

(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 with disabilities other than ~~handicapped~~ preschool children with disabilities receiving services at the institution for each category of ~~handicap~~ disability described in divisions (A) to (F) of section 3317.013 of the Revised Code;

(ii) The average daily membership of all ~~handicapped~~ preschool children with disabilities 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 with disabilities 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 with disabilities 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.

(K) If the superintendent of public instruction determines that a component of the formula ADM certified or reported by a district superintendent, or other reporting entity, is not correct, the superintendent of public instruction may order that the formula ADM used for the purposes of payments under any section of Title XXXIII of the Revised Code be adjusted in the amount of the error.

Sec. 3317.031. A membership record shall be kept by grade level in each city, local, exempted village, joint vocational, and cooperative education school district and such a record shall be kept by grade level in each educational service center that provides academic instruction to pupils, classes for ~~handicapped~~ pupils with disabilities, or any other direct instructional services to pupils. Such membership record shall show the following information for each pupil enrolled: Name, date of birth, name of parent, date entered school, date withdrawn from school, days present, days absent, and the number of days school was open for instruction while the pupil was enrolled. At the end of the school year this membership record shall show the total days present, the total days absent, and the total days due for all pupils in each grade. Such membership record shall show the pupils that are transported to and from school and it shall also show the pupils that are transported living within one mile of the school attended. This membership record shall also show any other information prescribed by the state board of education.

This membership record shall be kept intact for at least five years and shall be made available to the state board of education or its representative in making an audit of the average daily membership or the transportation of the district or educational service center. The membership records of local school districts shall be filed at the close of each school year in the office of the educational service center superintendent.

The state board of education may withhold any money due any school district or educational service center under sections 3317.022 to 3317.0211, 3317.11, 3317.16, 3317.17, or 3317.19 of the Revised Code until it has satisfactory evidence that the board of education or educational service center governing board has fully complied with all of the provisions of this section.

Nothing in this section shall require any person to release, or to permit

access to, public school records in violation of section 3319.321 of the Revised Code.

Sec. 3317.032. (A) Each city, local, exempted village, and cooperative education school district, each educational service center, each county MR/DD board, and each institution operating a special education program pursuant to section 3323.091 of the Revised Code shall, in accordance with procedures adopted by the state board of education, maintain a record of district membership of both of the following:

(1) All ~~handicapped~~ preschool children with disabilities in units approved under division (B) of section 3317.05 of the Revised Code;

(2) All ~~handicapped~~ preschool children with disabilities who are not in units approved under division (B) of section 3317.05 of the Revised Code but who are otherwise served by a special education program.

(B) The superintendent of each district, board, or institution subject to division (A) of this section shall certify to the state board of education, in accordance with procedures adopted by that board, membership figures of all ~~handicapped~~ preschool children with disabilities whose membership is maintained under division (A)(2) of this section. The figures certified under this division shall be used in the determination of the ADM used to compute funds for educational service center governing boards under section 3317.11 of the Revised Code.

Sec. 3317.04. The amount paid to school districts in each fiscal year under Chapter 3317. of the Revised Code shall not be less than the following:

(A) In the case of a district created under section 3311.26 or 3311.37 of the Revised Code, the amount paid shall not be less, in any of the three succeeding fiscal years following the creation, than the sum of the amounts allocated under Chapter 3317. of the Revised Code to the districts separately in the year of the creation.

(B) In the case of a school district which is transferred to another school district or districts, pursuant to section 3311.22, 3311.231, or 3311.38 of the Revised Code, the amount paid to the district accepting the transferred territory shall not be less, in any of the three succeeding fiscal years following the transfer, than the sum of the amounts allocated under Chapter 3317. of the Revised Code to the districts separately in the year of the consummation of the transfer.

~~(C) In the case of any school district, the amount paid under Chapter 3317. of the Revised Code to the district in the fiscal year of distribution shall not be less than that paid under such chapter in the preceding fiscal year, less any amount paid in that preceding fiscal year under section~~

~~3317.0216 of the Revised Code, if in the calendar year ending the thirty-first day of December preceding the fiscal year of distribution, the county auditor of the county to which the district has been assigned by the department of education for administrative purposes has completed reassessment of all real estate within the county, or the tax duplicate of that county was increased by the application of a uniform taxable value per cent of true value pursuant to a rule or order of the tax commissioner and the revised valuations were entered on the tax list and duplicate. Notwithstanding sections 3311.22, 3311.231, 3311.26, 3311.37, and 3311.38 of the Revised Code, this minimum guarantee is applicable only during the fiscal year immediately following the reassessment or application.~~

~~(D) In the case of any school district that has territory in three or more counties, each of which contains at least twenty per cent of the district's territory, the amount paid under Chapter 3317. of the Revised Code to the district in the fiscal year of distribution shall not be less than that paid under such chapter in the preceding fiscal year, less any amount paid in that preceding fiscal year under section 3317.0216 of the Revised Code, if in the calendar year ending the thirty-first day of December preceding the fiscal year of distribution, the county auditor of any such county completed reassessment of all real estate within the county, or the tax duplicate of any such county was increased by the application of a uniform taxable value per cent of true value pursuant to a rule or order of the tax commissioner and the revised valuations were entered on the tax list and duplicate. Notwithstanding sections 3311.22, 3311.231, 3311.26, 3311.37, and 3311.38 of the Revised Code, this minimum guarantee is applicable only during the fiscal year immediately following the reassessment or application.~~

Notwithstanding sections 3311.22, 3311.231, 3311.26, 3311.37, and 3311.38 of the Revised Code, the minimum guarantees prescribed by divisions (A) and (B) of this section shall not affect the amount of aid received by a school district for more than three consecutive years.

Sec. 3317.05. (A) For the purpose of calculating payments under sections 3317.052 and 3317.053 of the Revised Code, the department of education shall determine for each institution, by the last day of January of each year and based on information certified under section 3317.03 of the Revised Code, the number of vocational education units or fractions of units approved by the department on the basis of standards and rules adopted by the state board of education. As used in this division, "institution" means an institution operated by a department specified in section 3323.091 of the Revised Code and that provides vocational education programs under the

supervision of the division of vocational education of the department that meet the standards and rules for these programs, including licensure of professional staff involved in the programs, as established by the state board.

(B) For the purpose of calculating payments under sections 3317.052, 3317.053, 3317.11, and 3317.19 of the Revised Code, the department shall determine, based on information certified under section 3317.03 of the Revised Code, the following by the last day of January of each year for each educational service center, for each school district, including each cooperative education school district, for each institution eligible for payment under section 3323.091 of the Revised Code, and for each county MR/DD board: the number of classes operated by the school district, service center, institution, or county MR/DD board for ~~handicapped~~ preschool children with disabilities, or fraction thereof, including in the case of a district or service center that is a funding agent, classes taught by a licensed teacher employed by that district or service center under section 3313.841 of the Revised Code, approved annually by the department on the basis of standards and rules adopted by the state board.

(C) For the purpose of calculating payments under sections 3317.052, 3317.053, 3317.11, and 3317.19 of the Revised Code, the department shall determine, based on information certified under section 3317.03 of the Revised Code, the following by the last day of January of each year for each school district, including each cooperative education school district, for each institution eligible for payment under section 3323.091 of the Revised Code, and for each county MR/DD board: the number of ~~preschool handicapped~~ units for related services, as defined in section 3323.01 of the Revised Code, for preschool children with disabilities approved annually by the department on the basis of standards and rules adopted by the state board.

(D) All of the arithmetical calculations made under this section shall be carried to the second decimal place. The total number of units for school districts, service centers, and institutions approved annually under this section shall not exceed the number of units included in the estimate of cost for these units and appropriations made for them by the general assembly.

In the case of ~~handicapped preschool~~ units for preschool children with disabilities described in division (B) of this section, the department shall approve only preschool units for children who are under age six on the thirtieth day of September of the academic year, or on the first day of August of the academic year if the school district in which the child is enrolled has adopted a resolution under division (A)(3) of section 3321.01 of the Revised Code, but not less than age three on the first day of

December of the academic year, except that such a unit may include one or more children who are under age three or are age six or over on the applicable date, as reported under division (B)(2) or (G)(2)(b) of section 3317.03 of the Revised Code, if such children have been admitted to the unit pursuant to rules of the state board. The number of units for county MR/DD boards and institutions eligible for payment under section 3323.091 of the Revised Code approved under this section shall not exceed the number that can be funded with appropriations made for such purposes by the general assembly.

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

(E) The department shall approve units or fractions thereof for gifted children on the basis of standards and rules adopted by the state board.

Sec. 3317.051. (A)(1) Notwithstanding sections 3317.05 and 3317.11 of the Revised Code, a unit funded pursuant to division (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 for preschool children with disabilities 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. 3317.052. As used in this section, "institution" means an institution operated by a department specified in division (A) of section 3323.091 of the Revised Code.

(A)(1) The department of education shall pay each school district, educational service center, institution eligible for payment under section

3323.091 of the Revised Code, or county MR/DD board an amount for the total of all classroom units for ~~handicapped~~ preschool children with disabilities approved under division (B) of section 3317.05 of the Revised Code. For each unit, the amount shall be the sum of the minimum salary for the teacher of the unit, calculated on the basis of the teacher's training level and years of experience pursuant to 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, and eight thousand twenty-three dollars.

(2) The department shall pay each school district, educational service center, institution eligible for payment under section 3323.091 of the Revised Code, or county MR/DD board an amount for the total of all related services units for ~~handicapped~~ preschool children with disabilities approved under division (C) of section 3317.05 of the Revised Code. For each such unit, the amount shall be the sum of the minimum salary for the teacher of the unit calculated on the basis of the teacher's training level and years of 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, fifteen per cent of that minimum salary amount, and two thousand one hundred thirty-two dollars.

(B) If a school district, educational service center, or county MR/DD board has had additional ~~handicapped preschool~~ units for preschool children with disabilities approved for the year under division (F)(2) or (G)(3) of section 3317.03 of the Revised Code, the district, educational service center, or board shall receive an additional amount during the last half of the fiscal year. For each district, center, or board, the additional amount for each unit shall equal fifty per cent of the amounts computed for the unit in the manner prescribed by division (A) of this section and division (C) of section 3317.053 of the Revised Code.

(C) The department shall pay each institution approved for vocational education units under division (A) of section 3317.05 of the Revised Code an amount for the total of all the units approved under that division. The amount for each unit shall be the sum of the minimum salary for the teacher of the unit, calculated on the basis of the teacher's training level and years of experience pursuant to 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, and nine thousand five hundred ten dollars. Each institution that receives units funds under this division annually shall report to the department on the delivery of services and the performance of students and any other information required by the

department to evaluate the institution's vocational education program.

Sec. 3317.06. Moneys paid to school districts under division (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, and social work 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 with disabilities 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.

(N) To reimburse costs the district incurred to store the records of a chartered nonpublic school that closes. Reimbursements under this division shall be made one time only for each chartered nonpublic school that closes.

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 (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 (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 (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 (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.

Each school district shall label materials, equipment, computer hardware or software, textbooks, and electronic textbooks purchased or leased for loan to a nonpublic school under this section, acknowledging that they were purchased or leased with state funds under this section. However, a district need not label materials, equipment, computer hardware or software, textbooks, or electronic textbooks that the district determines are consumable in nature or have a value of less than two hundred dollars.

Sec. 3317.063. The superintendent of public instruction, in accordance with rules adopted by the department of education, shall annually reimburse each chartered nonpublic school for the actual mandated service administrative and clerical costs incurred by such school during the preceding school year in preparing, maintaining, and filing reports, forms, and records, and in providing such other administrative and clerical services that are not an integral part of the teaching process as may be required by state law or rule or by requirements duly promulgated by city, exempted village, or local school districts. The mandated service costs reimbursed pursuant to this section shall include, but are not limited to, the preparation, filing and maintenance of forms, reports, or records and other clerical and administrative services relating to state chartering or approval of the nonpublic school, pupil attendance, pupil health and health testing, transportation of pupils, federally funded education programs, pupil appraisal, pupil progress, educator licensure, unemployment and workers' compensation, transfer of pupils, and such other education related data which are now or hereafter shall be required of such nonpublic school by state law or rule, or by requirements of the state department of education, other state agencies, or city, exempted village, or local school districts.

The reimbursement required by this section shall be for school years beginning on or after July 1, 1981.

Each nonpublic school which seeks reimbursement pursuant to this

section shall submit to the superintendent of public instruction an application together with such additional reports and documents as the department of education may require. Such application, reports, and documents shall contain such information as the department of education may prescribe in order to carry out the purposes of this section. No payment shall be made until the superintendent of public instruction has approved such application.

Each nonpublic school which applies for reimbursement pursuant to this section shall maintain a separate account or system of accounts for the expenses incurred in rendering the required services for which reimbursement is sought. Such accounts shall contain such information as is required by the department of education and shall be maintained in accordance with rules adopted by the department of education.

Reimbursement payments to a nonpublic school pursuant to this section shall not exceed an amount for each school year equal to ~~two~~ three hundred ~~seventy-five~~ dollars per pupil enrolled in that nonpublic school.

The superintendent of public instruction may, from time to time, examine any and all accounts and records of a nonpublic school which have been maintained pursuant to this section in support of an application for reimbursement, for the purpose of determining the costs to such school of rendering the services for which reimbursement is sought. If after such audit it is determined that any school has received funds in excess of the actual cost of providing such services, said school shall immediately reimburse the state in such excess amount.

Any payments made to chartered nonpublic schools under this section may be disbursed without submission to and approval of the controlling board.

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 (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~~ pupils with disabilities 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~~ pupils with disabilities 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. 3317.08. A board of education may admit to its schools a child it is not required by section 3313.64 or 3313.65 of the Revised Code to admit, if tuition is paid for the child.

Unless otherwise provided by law, tuition shall be computed in accordance with this section. A district's tuition charge for a school year shall be one of the following:

(A) For any child, except a ~~handicapped~~ preschool child with a disability described in division (B) of this section, the quotient obtained by dividing the sum of the amounts described in divisions (A)(1) and (2) of this section by the district's formula ADM.

(1) The district's total taxes charged and payable for current expenses for the tax year preceding the tax year in which the school year begins as certified under division (A)(3) of section 3317.021 of the Revised Code.

(2) The district's 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 that are disbursed to the district during the fiscal year. On or before the first day of June of each year, the tax commissioner shall certify the amount to be used in the calculation under this division for the next fiscal year to the department of education and the office of budget and management for each city, local, and exempted village school district that

levies a school district income tax.

(B) For any ~~handicapped~~ preschool child with a disability not included in a unit approved under division (B) of section 3317.05 of the Revised Code, an amount computed for the school year as follows:

(1) For each type of special education service provided to the child for whom tuition is being calculated, determine the amount of the district's operating expenses in providing that type of service to all ~~handicapped~~ preschool children with disabilities not included in units approved under division (B) of section 3317.05 of the Revised Code;

(2) For each type of special education service for which operating expenses are determined under division (B)(1) of this section, determine the amount of such operating expenses that was paid from any state funds received under this chapter;

(3) For each type of special education service for which operating expenses are determined under division (B)(1) of this section, divide the difference between the amount determined under division (B)(1) of this section and the amount determined under division (B)(2) of this section by the total number of ~~handicapped~~ preschool children with disabilities not included in units approved under division (B) of section 3317.05 of the Revised Code who received that type of service;

(4) Determine the sum of the quotients obtained under division (B)(3) of this section for all types of special education services provided to the child for whom tuition is being calculated.

The state board of education shall adopt rules defining the types of special education services and specifying the operating expenses to be used in the computation under this section.

If any child for whom a tuition charge is computed under this section for any school year is enrolled in a district for only part of that school year, the amount of the district's tuition charge for the child for the school year shall be computed in proportion to the number of school days the child is enrolled in the district during the school year.

Except as otherwise provided in division (J) of section 3313.64 of the Revised Code, whenever a district admits a child to its schools for whom tuition computed in accordance with this section is an obligation of another school district, the amount of the tuition shall be certified by the treasurer of the board of education of the district of attendance, to the board of education of the district required to pay tuition for its approval and payment. If agreement as to the amount payable or the district required to pay the tuition cannot be reached, or the board of education of the district required to pay the tuition refuses to pay that amount, the board of education of the district

of attendance shall notify the superintendent of public instruction. The superintendent shall determine the correct amount and the district required to pay the tuition and shall deduct that amount, if any, under division (G) of section 3317.023 of the Revised Code, from the district required to pay the tuition and add that amount to the amount allocated to the district attended under such division. The superintendent of public instruction shall send to the district required to pay the tuition an itemized statement showing such deductions at the time of such deduction.

When a political subdivision owns and operates an airport, welfare, or correctional institution or other project or facility outside its corporate limits, the territory within which the facility is located is exempt from taxation by the school district within which such territory is located, and there are school age children residing within such territory, the political subdivision owning such tax exempt territory shall pay tuition to the district in which such children attend school. The tuition for these children shall be computed as provided for in this section.

Sec. 3317.15. (A) As used in this section, "~~handicapped~~ child with a disability" has the same meaning as in section 3323.01 of the Revised Code.

(B) Each city, exempted village, local, and joint vocational school district shall continue to comply with all requirements of federal statutes and regulations, the Revised Code, and rules adopted by the state board of education governing education of ~~handicapped~~ children with disabilities, including, but not limited to, requirements that ~~handicapped~~ children with disabilities be served by appropriately licensed or certificated education personnel.

(C) Each city, exempted village, local, and joint vocational school district shall consult with the educational service center serving the county in which the school district is located and, if it elects to participate pursuant to section 5126.04 of the Revised Code, the county MR/DD board of that county, in providing services that serve the best interests of ~~handicapped~~ children with disabilities.

(D) Each school district shall annually provide documentation to the department of education that it employs the appropriate number of licensed or certificated personnel to serve the district's ~~handicapped~~ students with disabilities.

(E) The department annually shall audit a sample of school districts to ensure that ~~handicapped~~ children with disabilities are being appropriately reported.

(F) Each school district shall provide speech-language pathology services at a ratio of one speech-language pathologist per two thousand

students receiving any educational services from the district other than adult education. Each district shall provide school psychological services at a ratio of one school psychologist per two thousand five hundred students receiving any educational services from the district other than adult education. A district may obtain the services of speech-language pathologists and school psychologists by any means permitted by law, including contracting with an educational service center. If, however, a district is unable to obtain the services of the required number of speech-language pathologists or school psychologists, the district may request from the superintendent of public instruction, and the superintendent may grant, a waiver of this provision for a period of time established by the superintendent.

Sec. 3317.16. (A) As used in this section:

(1) "State share percentage" means the percentage calculated for a joint vocational school district as follows:

(a) Calculate the state base cost funding amount for the district under division (B) of this section. If the district would not receive any base cost funding for that year under that division, the district's state share percentage is zero.

(b) If the district would receive base cost funding under that division, divide that base cost amount by an amount equal to the following:

$$\frac{\text{cost of doing business factor X}}{\text{the formula amount X}} \\ \text{formula ADM}$$

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

(2) The "total special education weight" for a joint vocational school district shall be calculated in the same manner as prescribed in division (B)(1) of section 3317.022 of the Revised Code.

(3) The "total vocational education weight" for a joint vocational school district shall be calculated in the same manner as prescribed in division (B)(4) of section 3317.022 of the Revised Code.

(4) The "total recognized valuation" of a joint vocational school district shall be determined by adding the recognized valuations of all its constituent school districts for the applicable fiscal year.

(5) "Resident district" means the city, local, or exempted village school district in which a student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(6) "Community school" means a community school established under Chapter 3314. of the Revised Code.

(B) The department of education shall compute and distribute state base cost funding to each joint vocational school district for the fiscal year in

accordance with ~~division (B) of this section.~~

~~(1) Compute the following for each eligible district formula:~~

~~(cost of doing business factor X~~

~~formula amount X~~

~~formula ADM) -~~

~~(.0005 X total recognized valuation)~~

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

~~(2) Compute both of the following for each district:~~

~~(a) The difference of (i) the district's fiscal year 2005 base cost payment under the version of division (B) 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 (B)(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 (B)(1) of this section~~

~~If one of the amounts computed under division (B)(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 (B)(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 (B)(1) of this section.~~

(C)(1) The department shall compute and distribute state vocational education additional weighted costs funds to each joint vocational school district in accordance with the following formula:

state share percentage X formula amount X

total vocational education weight

In each fiscal year, a joint vocational school district receiving funds under division (C)(1) of this section shall spend those funds only for the purposes 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 joint vocational 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 (C)(1) of this section may be spent.

(2) The department shall compute for each joint vocational school district state funds for vocational education associated services costs 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 joint vocational school district receiving funds under division (C)(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 (C)(2) of this section to any district that the department determines is not operating those services or is using funds paid under division (C)(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.

(D)(1) The department shall compute and distribute state special education and related services additional weighted costs funds to each joint vocational school district in accordance with the following formula:

state share percentage X formula amount X
total special education weight

(2)(a) As used in this division, the "personnel allowance" means thirty thousand dollars in fiscal years ~~2002, 2003, 2004, 2005, 2006, and 2007~~ 2008 and 2009.

(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 shall pay each joint vocational school district an amount calculated under the following formula:

(formula ADM divided by 2000) X the personnel
allowance X state share percentage

(3) In any fiscal year, a joint vocational 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:

~~(cost of doing business factor X~~ formula amount
X the sum of categories one through
six special education ADM) +
(total special education weight X
formula amount)

The purposes approved by the department for special education expenses shall include, but shall not be limited to, compliance with state rules governing the education of ~~handicapped~~ children with disabilities, providing services identified in a student's individualized education program as defined in section 3323.01 of the Revised Code, provision of speech language pathology services, and the portion of the district's overall administrative and overhead costs that are attributable to the district's special education student population.

The department shall require joint vocational school districts to report data annually to allow for monitoring compliance with division (D)(3) of this section. The department shall annually report to the governor and the general assembly the amount of money spent by each joint vocational school district for special education and related services.

(4) In any fiscal year, a joint vocational school district shall spend for the provision of speech language pathology services not less than the sum of the amount calculated under division (D)(1) of this section for the students in the district's category one special education ADM and the amount calculated under division (D)(2) of this section.

(E)(1) If a joint vocational school district's costs for a fiscal year for a student in its categories two through six special education ADM 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 district may submit to the superintendent of public instruction documentation, as prescribed by the superintendent, of all of 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:

(a) One-half of the district's costs for the student in excess of the threshold catastrophic cost;

(b) 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.

(2) The district 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) Each fiscal year, the department shall pay each joint vocational school district an amount for adult technical and vocational education and

specialized consultants.

(G)(1) A joint vocational school district's local share of special education and related services additional weighted costs equals:

$$(1 - \text{state share percentage}) \times \text{Total special education weight} \times \text{the formula amount}$$

(2) For each ~~handicapped~~ student with a disability receiving special education and related services under an individualized education program, as defined in section 3323.01 of the Revised Code, at a joint vocational district, the resident district or, if the student is enrolled in a community school, the community school shall be responsible for the amount of any costs of providing those special education and related services to that student that exceed the sum of the amount calculated for those services attributable to that student under divisions (B), (D), (E), and (G)(1) of this section.

Those excess costs shall be calculated by subtracting the sum of the following from the actual cost to provide special education and related services to the student:

(a) The ~~product of the formula amount times the cost-of-doing-business factor;~~

(b) The product of the formula amount times the applicable multiple specified in section 3317.013 of the Revised Code;

(c) Any funds paid under division (E) of this section for the student;

(d) Any other funds received by the joint vocational school district under this chapter to provide special education and related services to the student, not including the amount calculated under division (G)(2) of this section.

(3) The board of education of the joint vocational school district may report the excess costs calculated under division (G)(2) of this section to the department of education.

(4) If the board of education of the joint vocational school district reports excess costs under division (G)(3) of this section, the department shall pay the amount of excess cost calculated under division (G)(2) of this section to the joint vocational school district and shall deduct that amount as provided in division (G)(4)(a) or (b) of this section, as applicable:

(a) If the student is not enrolled in a community school, the department shall deduct the amount from the account of the student's resident district pursuant to division (M) of section 3317.023 of the Revised Code.

(b) If the student is enrolled in a community school, the department shall deduct the amount from the account of the community school pursuant

to section 3314.083 of the Revised Code.

Sec. 3317.161. If the department of education is required to pay an amount under section 3353.25 of the Revised Code to a school district delivering a course included in the clearinghouse established under section 3353.21 of the Revised Code for a student enrolled in a joint vocational school district, the department shall deduct the amount of that payment from the amount calculated for the joint vocational school district under section 3317.16 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 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~~ preschool children with disabilities 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 (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. 3317.20. This section does not apply to ~~handicapped~~ preschool children with disabilities.

(A) As used in this section:

(1) "Applicable weight" means the multiple specified in section 3317.013 of the Revised Code for a ~~handicap~~ disability described in that section.

(2) "Child's school district" means the school district in which a child is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code.

(3) "State share percentage" means the state share percentage of the child's school district as defined in section 3317.022 of the Revised Code.

(B) Except as provided in division (C) of this section, the department shall annually pay each county MR/DD board for each ~~handicapped~~ child with a disability, other than a ~~handicapped~~ preschool child with a disability, for whom the county MR/DD board provides special education and related services ~~the greater of the amount calculated under division (B)(1) or (2) of this section:~~

~~(1) (The formula amount for fiscal year 2005 X the cost of doing business factor for the child's school district for fiscal year 2005) + (state share percentage for fiscal year 2005 X formula amount for fiscal year 2005 X the applicable weight);~~

~~(2) (The current an amount equal to the formula amount ~~times the~~ current cost of doing business factor for the child's school district) + (state share percentage X ~~current~~ formula amount X the applicable weight).~~

(C) If any school district places with a county MR/DD board more ~~handicapped~~ children with disabilities than it had placed with a county MR/DD board in fiscal year 1998, the department shall not make a payment under division (B) of this section for the number of children exceeding the number placed in fiscal year 1998. The department instead shall deduct from the district's payments under this chapter, and pay to the county MR/DD board, an amount calculated in accordance with the formula prescribed in division (B) of this section for each child over the number of children placed in fiscal year 1998.

(D) The department shall calculate for each county MR/DD board

receiving payments under divisions (B) and (C) of this section the following amounts:

(1) The amount received by the county MR/DD board for approved special education and related services units, other than ~~preschool handicapped~~ units for preschool children with disabilities, in fiscal year 1998, divided by the total number of children served in the units that year;

(2) The product of the quotient calculated under division (D)(1) of this section times the number of children for whom payments are made under divisions (B) and (C) of this section.

If the amount calculated under division (D)(2) of this section is greater than the total amount calculated under divisions (B) and (C) of this section, the department shall pay the county MR/DD board one hundred per cent of the difference in addition to the payments under divisions (B) and (C) of this section.

Sec. 3317.201. This section does not apply to ~~handicapped~~ preschool children with disabilities.

(A) As used in this section, the "total special education weight" for an institution means the sum of the following amounts:

(1) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for a ~~handicap~~ disability described in division (A) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division;

(2) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for a ~~handicap~~ disability described in division (B) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division;

(3) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for a ~~handicap~~ disability described in division (C) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division;

(4) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for a ~~handicap~~ disability described in division (D) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division;

(5) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for a ~~handicap~~ disability described in division (E) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division;

(6) The number of children reported by the institution under division (G)(1)(a)(i) of section 3317.03 of the Revised Code as receiving services for

a ~~handicap~~ disability described in division (F) of section 3317.013 of the Revised Code multiplied by the multiple specified in that division.

(B) ~~The~~ For each fiscal year, the department of education ~~annually~~ shall pay each state institution required to provide special education services under division (A) of section 3323.091 of the Revised Code an amount equal to the greater of:

(1) The formula amount times the institution's total special education weight;

(2) The aggregate amount of special education and related services unit funding the institution received for all ~~handicapped~~ children with disabilities other than ~~handicapped~~ preschool children with disabilities in fiscal year 2005 under sections 3317.052 and 3317.053 of the Revised Code, as those sections existed prior to ~~the effective date of this section~~ June 30, 2005.

Sec. 3318.01. As used in sections 3318.01 to 3318.20 of the Revised Code:

(A) "Ohio school facilities commission" means the commission created pursuant to section 3318.30 of the Revised Code.

(B) "Classroom facilities" means rooms in which pupils regularly assemble in public school buildings to receive instruction and education and such facilities and building improvements for the operation and use of such rooms as may be needed in order to provide a complete educational program, and may include space within which a child care facility or a community resource center is housed. "Classroom facilities" includes any space necessary for the operation of a vocational education program for secondary students in any school district that operates such a program.

(C) "Project" means a project to construct or acquire classroom facilities, or to reconstruct or make additions to existing classroom facilities, to be used for housing the applicable school district and its functions.

(D) "School district" means a local, exempted village, or city school district as such districts are defined in Chapter 3311. of the Revised Code, acting as an agency of state government, performing essential governmental functions of state government pursuant to sections 3318.01 to 3318.20 of the Revised Code.

For purposes of assistance provided under sections 3318.40 to 3318.45 of the Revised Code, the term "school district" as used in this section and in divisions (A), (C), and (D) of section 3318.03 and in sections 3318.031, 3318.042, 3318.07, 3318.08, 3318.083, 3318.084, 3318.085, 3318.086, 3318.10, 3318.11, 3318.12, 3318.13, 3318.14, 3318.15, 3318.16, 3318.19, and 3318.20 of the Revised Code means a joint vocational school district established pursuant to section 3311.18 of the Revised Code.

(E) "School district board" means the board of education of a school district.

(F) "Net bonded indebtedness" means the difference between the sum of the par value of all outstanding and unpaid bonds and notes which a school district board is obligated to pay and any amounts the school district is obligated to pay under lease-purchase agreements entered into under section 3313.375 of the Revised Code, and the amount held in the sinking fund and other indebtedness retirement funds for their redemption. Notes issued for school buses in accordance with section 3327.08 of the Revised Code, notes issued in anticipation of the collection of current revenues, and bonds issued to pay final judgments shall not be considered in calculating the net bonded indebtedness.

"Net bonded indebtedness" does not include indebtedness arising from the acquisition of land to provide a site for classroom facilities constructed, acquired, or added to pursuant to sections 3318.01 to 3318.20 of the Revised Code or the par value of bonds that have been authorized by the electors and the proceeds of which will be used by the district to provide any part of its portion of the basic project cost.

(G) "Board of elections" means the board of elections of the county containing the most populous portion of the school district.

(H) "County auditor" means the auditor of the county in which the greatest value of taxable property of such school district is located.

(I) "Tax duplicates" means the general tax lists and duplicates prescribed by sections 319.28 and 319.29 of the Revised Code.

(J) "Required level of indebtedness" means:

(1) In the case of school districts in the first percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code.

(2) In the case of school districts ranked in a subsequent percentile, five per cent of the district's valuation for the year preceding the year in which the controlling board approved the project under section 3318.04 of the Revised Code, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks for the fiscal year preceding the fiscal year in which the controlling board approved the district's project minus one)].

(K) "Required percentage of the basic project costs" means one per cent of the basic project costs times the percentile in which the school district ranks for the fiscal year preceding the fiscal year in which the controlling board approved the district's project.

(L) "Basic project cost" means a cost amount determined in accordance with rules adopted under section 111.15 of the Revised Code by the Ohio school facilities commission. The basic project cost calculation shall take into consideration the square footage and cost per square foot necessary for the grade levels to be housed in the classroom facilities, the variation across the state in construction and related costs, the cost of the installation of site utilities and site preparation, the cost of demolition of all or part of any existing classroom facilities that are abandoned under the project, the cost of insuring the project until it is completed, any contingency reserve amount prescribed by the commission under section 3318.086 of the Revised Code, and the professional planning, administration, and design fees that a school district may have to pay to undertake a classroom facilities project.

For a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, the basic project cost calculation for a project under those sections shall also take into account the types of laboratory spaces and program square footages needed for the vocational education programs for high school students offered by the school district.

(M)(1) Except for a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, a "school district's portion of the basic project cost" means the amount determined under section 3318.032 of the Revised Code.

(2) For a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, a "school district's portion of the basic project cost" means the amount determined under division (C) of section 3318.42 of the Revised Code.

(N) "Child care facility" means space within a classroom facility in which the needs of infants, toddlers, preschool children, and school children are provided for by persons other than the parent or guardian of such children for any part of the day, including persons not employed by the school district operating such classroom facility.

(O) "Community resource center" means space within a classroom facility in which comprehensive services that support the needs of families and children are provided by community-based social service providers.

(P) "Valuation" means the total value of all property in the school district as listed and assessed for taxation on the tax duplicates.

(Q) "Percentile" means the percentile in which the school district is ranked pursuant to ~~division (D)~~ of section 3318.011 of the Revised Code.

(R) "Installation of site utilities" means the installation of a site domestic water system, site fire protection system, site gas distribution

system, site sanitary system, site storm drainage system, and site telephone and data system.

(S) "Site preparation" means the earthwork necessary for preparation of the building foundation system, the paved pedestrian and vehicular circulation system, playgrounds on the project site, and lawn and planting on the project site.

Sec. 3318.011. For purposes of providing assistance under sections 3318.01 to 3318.20 of the Revised Code, the department of education shall annually do all of the following:

(A) Calculate the adjusted valuation per pupil of each city, local, and exempted village school district according to the following formula:

$$\frac{\text{The district's valuation per pupil}}{[\$30,000 \times (1 - \text{the district's income factor})]}$$

For purposes of this calculation:

(1) "Valuation per pupil" for a district means its average taxable value, divided by its formula ADM reported under section 3317.03 of the Revised Code for the previous fiscal year. "Valuation per pupil," for a district with an open enrollment net gain that is ten per cent or more of its formula ADM, means its average taxable value, divided by the sum of its formula ADM for the previous fiscal year plus its open enrollment net gain for the previous fiscal year.

(2) "Average taxable value" means the average of the amounts certified for a district in the second, third, and fourth preceding fiscal years under divisions (A)(1) and (2) of section 3317.021 of the Revised Code.

(3) "Income Entitled to attend school" means entitled to attend school in a city, local, or exempted village school district under section 3313.64 or 3313.65 of the Revised Code.

(4) "Formula ADM" and "income factor" ~~has~~ have the same ~~meaning~~ meanings as in section 3317.02 of the Revised Code.

(5) "Native student" has the same meaning as in section 3313.98 of the Revised Code.

(6) "Open enrollment net gain" for a district means (a) the number of the students entitled to attend school in another district but who are enrolled in the schools of the district under its open enrollment policy minus (b) the number of the district's native students who are enrolled in the schools of another district under the other district's open enrollment policy, both numbers as certified to the department under section 3313.981 of the Revised Code. If the difference is a negative number, the district's "open enrollment net gain" is zero.

(7) "Open enrollment policy" means an interdistrict open enrollment policy adopted under section 3313.98 of the Revised Code.

(B) Calculate for each district the three-year average of the adjusted valuations per pupil calculated for the district for the current and two preceding fiscal years;

(C) Rank all such districts in order of adjusted valuation per pupil from the district with the lowest three-year average adjusted valuation per pupil to the district with the highest three-year average adjusted valuation per pupil;

(D) Divide such ranking into percentiles with the first percentile containing the one per cent of school districts having the lowest three-year average adjusted valuations per pupil and the one-hundredth percentile containing the one per cent of school districts having the highest three-year average adjusted valuations per pupil;

(E) Determine the school districts that have three-year average adjusted valuations per pupil that are greater than the median three-year average adjusted valuation per pupil for all school districts in the state;

(F) On or before the first day of September, certify the information described in divisions (A) to (E) of this section to the Ohio school facilities commission.

Notwithstanding anything in this section to the contrary, the department shall not rank any school district subject to division (F) of section 3318.36 of the Revised Code in a higher percentile than the percentile in which the district was ranked on the date the electors of the district approved a bond issue to pay the district's portion of the basic project cost. The percentile ranking resulting from this paragraph shall be used by the commission only to determine when the district is eligible for assistance under sections 3318.01 to 3318.20 of the Revised Code and shall not be used to calculate the district's portion of the basic project cost. For this purpose, the commission annually shall notify the department of all school districts that have become subject to division (F) of section 3318.36 of the Revised Code since the department completed its most recent school district rankings under this section.

Sec. 3318.023. Notwithstanding anything to the contrary in section 3318.02 of the Revised Code, each fiscal year, at the time that the Ohio school facilities commission conditionally approves projects of school districts under ~~section~~ sections 3318.01 to 3318.20 of the Revised Code for which it plans to provide assistance under those sections for that fiscal year, the commission also shall identify the next ten school districts from lowest to highest in order of the ranking calculated for the previous fiscal year under ~~division (D)~~ of section 3318.011 of the Revised Code that have not

yet been conditionally approved for assistance under ~~section~~ sections 3318.01 to 3318.20 of the Revised Code. Those districts shall have priority in the order of such ranking with the lowest valuation having the highest priority for future assistance under those sections over all other school districts except for districts receiving assistance under division (B)(2) of section 3318.04, section 3318.37, or section 3318.38 of the Revised Code or districts that have priority under section 3318.05 of the Revised Code.

Sec. 3318.12. (A) The Ohio school facilities commission shall cause to be transferred to the school district's project construction fund the necessary amounts from amounts appropriated by the general assembly and set aside for such purpose, from time to time as may be necessary to pay obligations chargeable to such fund when due. All investment earnings of a school district's project construction fund shall be credited to the fund.

(B)(1) The treasurer of the school district board shall disburse funds from the school district's project construction fund, including investment earnings credited to the fund, only upon the approval of the commission or the commission's designated representative. The commission or the commission's designated representative shall issue vouchers against such fund, in such amounts, and at such times as required by the contracts for construction of the project.

(2) Notwithstanding anything to the contrary in division (B)(1) of this section, the school district board may, by a duly adopted resolution, choose to use all or part of the investment earnings of the district's project construction fund that are attributable to the district's contribution to the fund to pay the cost of classroom facilities or portions or components of classroom facilities that are not included in the district's basic project cost but that are related to the district's project. If the district board adopts a resolution in favor of using those investment earnings as authorized under division (B)(2) of this section, the treasurer shall disburse the amount as designated and directed by the board. However, if the district board chooses to use any part of the investment earnings for classroom facilities or portions or components of classroom facilities that are not included in the basic project cost, as authorized under division (B)(2) of this section, and, subsequently, the cost of the project exceeds the amount in the project construction fund, the district board shall restore to the project construction fund the full amount of the investment earnings used under division (B)(2) of this section before any additional state moneys shall be released for the project.

(C) After the project has been completed:

(1) ~~Any~~ At the discretion of the school district board, any investment

earnings remaining in the project construction fund that are attributable to the school district's contribution to the fund shall be ~~transferred~~:

(a) Retained in the project construction fund for future projects;

(b) Transferred to the district's maintenance fund required by division (B) of section 3318.05 or section 3318.43 of the Revised Code, and the money so transferred shall be used solely for maintaining the classroom facilities included in the project;

(c) Transferred to the district's permanent improvement fund.

(2) Any investment earnings remaining in the project construction fund that are attributable to the state's contribution to the fund shall be transferred to the commission for expenditure pursuant to sections 3318.01 to 3318.20 or sections 3318.40 to 3318.45 of the Revised Code.

(3) Any other surplus remaining in the school district's project construction fund after the project has been completed shall be transferred to the commission and the school district board in proportion to their respective contributions to the fund. The commission shall use the money transferred to it under this division for expenditure pursuant to sections 3318.01 to 3318.20 or sections 3318.40 to 3318.45 of the Revised Code.

(D) Pursuant to appropriations of the general assembly, any moneys transferred to the commission under division (C)(2) or (3) of this section from a project construction fund for a project under sections 3318.40 to 3318.45 of the Revised Code may be used for future expenditures for projects under sections 3318.40 to 3318.45 of the Revised Code, notwithstanding the two per cent annual limit specified in division (B) of section 3318.40 of the Revised Code.

Sec. 3318.15. There is hereby created the public school building fund within the state treasury consisting of any moneys transferred or appropriated to the fund by the general assembly, moneys paid into or transferred in accordance with section 3318.47 of the Revised Code, and any grants, gifts, or contributions received by the Ohio school facilities commission to be used for the purposes of the fund. All investment earnings of the fund shall be credited to the fund.

Moneys transferred or appropriated to the fund by the general assembly and moneys in the fund from grants, gifts, and contributions shall be used for the purposes of Chapter 3318. of the Revised Code as prescribed by the general assembly.

Sec. 3318.26. (A) The provisions of this section apply only to obligations issued by the issuing authority prior to December 1, 1999.

(B) Subject to the limitations provided in section 3318.29 of the Revised Code, the issuing authority, upon the certification by the Ohio school

facilities commission to the issuing authority of the amount of moneys or additional moneys needed in the school building program assistance fund for the purposes of sections 3318.01 to 3318.20 and sections 3318.40 to 3318.45 of the Revised Code, or needed for capitalized interest, for funding reserves, and for 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 obligations issued to provide moneys for the school building program assistance fund shall be deposited by the treasurer of state in special funds, including reserve funds, as provided in the bond proceedings. The issuing authority may appoint trustees, paying agents, and transfer agents and may retain the services of financial advisors and accounting experts 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 the school building program assistance fund or any special fund determined by the issuing authority.

(C) The holders or owners of such obligations shall have no right to have moneys raised by taxation obligated or pledged, and moneys raised by taxation shall not be obligated or pledged, for the payment of bond service charges. Such holders or owners shall have no rights to payment of bond service charges from any money or property received by the commission, treasurer of state, or the state, or from any other use of the proceeds of the sale of the obligations, and no such moneys may be used for the payment of bond service charges, except for accrued interest, capitalized interest, and reserves funded from proceeds received upon the sale of the obligations and except as otherwise expressly provided in the applicable bond proceedings pursuant to written directions by the treasurer of state. The right of such holders and owners to payment of bond service charges shall be limited to all or that portion of the pledged receipts and those special funds pledged thereto pursuant to the bond proceedings in accordance with this section, and each such obligation shall bear on its face a statement to that effect.

(D) Obligations shall be authorized by resolution or 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 the limits specified in section 3318.29 of the Revised Code, 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, subject to any applicable limitation under section 3318.29 of the Revised Code. 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 shall also 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 are immediately 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, except as required by section 3770.06 of the Revised Code. 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., 133., or 135. of the Revised Code, but subject to any special provisions of sections 3318.21 to 3318.29 of the Revised Code, with respect to particular funds or moneys, provided that any bank or trust company that 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) The lease or sublease of any interest of the school district or the state in one or more projects as defined in division (C) of section 3318.01 of the Revised Code, or in one or more permanent improvements, to or from the issuing authority, as provided in one or more lease or sublease agreements between the school or the state and the issuing authority;

(9) Any other or additional agreements with the holders of the obligations, or the trustee therefor, relating to the obligations or the security therefor.

(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 is nevertheless valid and sufficient for all purposes as if the 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 a place of business within the state. Any such agreement or indenture may contain the resolution or order authorizing the issuance of the obligations, any provisions that may be contained in any bond proceedings, and other provisions that 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 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, the commission, or the director of budget and management required by sections 3318.21 to 3318.29 of the Revised Code or the bond proceedings; 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, the commission, or the director of budget and management 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 or the commission, 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 issuing authority or the state or governmental agencies of the state 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 permanent improvement.

Each duty of the issuing authority and the issuing authority's officers and employees, and of each governmental agency and its officers, members, or employees, undertaken pursuant to the bond proceedings or any agreement or loan made under authority of sections 3318.21 to 3318.29 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) 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 governmental agency of the state with respect to investments by them, and also are acceptable as security for the deposit of public moneys.

(M) 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 established in accordance with section 1111.14 of the Revised Code and consisting exclusively of any such securities, notwithstanding division (B)(1)(c) of that section. 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.

(N) 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.

(O) 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 shall be controlling notwithstanding any other provisions of law pertaining thereto.

(P) The issuing authority may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and applicable officers and governmental agencies of the state, including the general assembly, so long as any obligations are outstanding, shall:

(1) Maintain statutory authority for and cause to be operated the state lottery, including the transfers to and from the lottery profits education fund created in section 3770.06 of the Revised Code so that the pledged receipts shall be sufficient in amount to meet bond service charges, and the establishment and maintenance of any reserves and other requirements provided for in the bond proceedings;

(2) Take or permit no action, by statute or otherwise, that would impair the exclusion from gross income for federal income tax purposes of the interest on any obligations designated by the bond proceeding as tax-exempt obligations.

(Q) There is hereby created the school building program bond service fund, which shall be in the custody of the treasurer of state but shall be separate and apart from and not 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 school building program 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, except as required by section 3770.06 of the Revised Code. During the period beginning with the date of the first issuance of obligations and continuing during such time as any such obligations are outstanding, and so long as

moneys in the school building program bond service fund are insufficient to pay all bond service charges on such obligations becoming due in each year, a sufficient amount of the moneys from the lottery profits education fund included in pledged receipts, subject to appropriation for such purpose as provided in section 3770.06 of the Revised Code, are committed and shall be paid to the school building program bond service fund in each year for the purpose of paying the bond service charges becoming due in that year. The school building program bond service fund is a trust fund and is hereby pledged to the payment of bond service charges solely on obligations issued to provide moneys for the school building program assistance fund 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 except as required by section 3770.06 of the Revised Code.

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

Sec. 3318.36. (A)(1) As used in this section:

(a) "Ohio school facilities commission," "classroom facilities," "school district," "school district board," "net bonded indebtedness," "required percentage of the basic project costs," "basic project cost," "valuation," and "percentile" have the same meanings as in section 3318.01 of the Revised Code.

(b) "Required level of indebtedness" means five per cent of the school district's valuation for the year preceding the year in which the commission and school district enter into an agreement under division (B) of this section, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

(c) "Local resources" means any moneys generated in any manner permitted for a school district board to raise the school district portion of a project undertaken with assistance under sections 3318.01 to 3318.20 of the Revised Code.

(2) For purposes of determining either the required level of indebtedness, as defined in division (A)(1)(b) of this section, or the required percentage of the basic project costs, under division (C)(1) of this section, the percentile ranking of a school district with which the commission has entered into an agreement under this section between the first day of July and the thirty-first day of August in each fiscal year is the percentile ranking calculated for that district for the immediately preceding fiscal year, and the percentile ranking of a school district with which the commission has

entered into such agreement between the first day of September and the thirtieth day of June in each fiscal year is the percentile ranking calculated for that district for the current fiscal year.

(B)(1) There is hereby established the school building assistance expedited local partnership program. Under the program, the Ohio school facilities commission may enter into an agreement with the school district board of any school district under which the school district board may proceed with the new construction or major repairs of a part of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code, through the expenditure of local resources prior to the school district's eligibility for state assistance under sections 3318.01 to 3318.20 of the Revised Code and may apply that expenditure toward meeting the school district's portion of the basic project cost of the total of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code and as recalculated under division (E) of this section, that are eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code when the school district becomes eligible for such state assistance. Any school district that is reasonably expected to receive assistance under sections 3318.01 to 3318.20 of the Revised Code within two fiscal years from the date the school district adopts its resolution under division (B) of this section shall not be eligible to participate in the program.

(2) To participate in the program, a school district board shall first adopt a resolution certifying to the commission the board's intent to participate in the program.

The resolution shall specify the approximate date that the board intends to seek elector approval of any bond or tax measures or to apply other local resources to use to pay the cost of classroom facilities to be constructed under this section. The resolution may specify the application of local resources or elector-approved bond or tax measures after the resolution is adopted by the board, and in such case the board may proceed with a discrete portion of its project under this section as soon as the commission and the controlling board have approved the basic project cost of the district's classroom facilities needs as specified in division (D) of this section. The board shall submit its resolution to the commission not later than ten days after the date the resolution is adopted by the board.

The commission shall not consider any resolution that is submitted pursuant to division (B)(2) of this section, as amended by this amendment, sooner than September 14, 2000.

(3) Any project under this section shall comply with section 3318.03 of

the Revised Code and with any specifications for plans and materials for classroom facilities adopted by the commission under section 3318.04 of the Revised Code.

(4) If a school district that enters into an agreement under this section has not begun a project applying local resources as provided for under that agreement at the time the district is notified by the commission that it is eligible to receive state assistance under sections 3318.01 to 3318.20 of the Revised Code, all assessment and agreement documents entered into under this section are void.

(5) Only construction of or repairs to classroom facilities that have been approved by the commission and have been therefore included as part of a district's basic project cost qualify for application of local resources under this section.

(C) Based on the results of the on-site visits and assessment conducted under division (B)(2) of this section, the commission shall determine the basic project cost of the school district's classroom facilities needs. The commission shall determine the school district's portion of such basic project cost, which shall be the greater of:

(1) The required percentage of the basic project costs, determined based on the school district's percentile ranking;

(2) An amount necessary to raise the school district's net bonded indebtedness, as of the fiscal year the commission and the school district enter into the agreement under division (B) of this section, to within five thousand dollars of the required level of indebtedness.

(D)(1) When the commission determines the basic project cost of the classroom facilities needs of a school district and the school district's portion of that basic project cost under division (C) of this section, the project shall be conditionally approved. Such conditional approval shall be submitted to the controlling board for approval thereof. The controlling board shall forthwith approve or reject the commission's determination, conditional approval, and the amount of the state's portion of the basic project cost; however, no state funds shall be encumbered under this section. Upon approval by the controlling board, the school district board may identify a discrete part of its classroom facilities needs, which shall include only new construction of or additions or major repairs to a particular building, to address with local resources. Upon identifying a part of the school district's basic project cost to address with local resources, the school district board may allocate any available school district moneys to pay the cost of that identified part, including the proceeds of an issuance of bonds if approved by the electors of the school district.

All local resources utilized under this division shall first be deposited in the project construction account required under section 3318.08 of the Revised Code.

(2) Unless the school district board exercises its option under division (D)(3) of this section, for a school district to qualify for participation in the program authorized under this section, one of the following conditions shall be satisfied:

(a) The electors of the school district by a majority vote shall approve the levy of taxes outside the ten-mill limitation for a period of twenty-three years at the rate of not less than one-half mill for each dollar of valuation to be used to pay the cost of maintaining the classroom facilities included in the basic project cost as determined by the commission. The form of the ballot to be used to submit the question whether to approve the tax required under this division to the electors of the school district shall be the form for an additional levy of taxes prescribed in section 3318.361 of the Revised Code, which may be combined in a single ballot question with the questions prescribed under section 5705.218 of the Revised Code.

(b) As authorized under division (C) of section 3318.05 of the Revised Code, the school district board shall earmark from the proceeds of a permanent improvement tax levied under section 5705.21 of the Revised Code, an amount equivalent to the additional tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(c) As authorized under section 3318.051 of the Revised Code, the school district board shall, if approved by the commission, annually transfer into the maintenance fund required under section 3318.05 of the Revised Code the amount prescribed in section 3318.051 of the Revised Code in lieu of the tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(d) If the school district board has rescinded the agreement to make transfers under section 3318.051 of the Revised Code, as provided under division (F) of that section, the electors of the school district, in accordance with section 3318.063 of the Revised Code, first shall approve the levy of taxes outside the ten-mill limitation for the period specified in that section at a rate of not less than one-half mill for each dollar of valuation.

(e) The school district board shall apply the proceeds of a tax to leverage bonds as authorized under section 3318.052 of the Revised Code or dedicate a local donated contribution in the manner described in division (B) of section 3318.084 of the Revised Code in an amount equivalent to the

additional tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(3) A school district board may opt to delay taking any of the actions described in division (D)(2) of this section until such time as the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code. In order to exercise this option, the board shall certify to the commission a resolution indicating the board's intent to do so prior to entering into an agreement under division (B) of this section.

(4) If pursuant to division (D)(3) of this section a district board opts to delay levying an additional tax until the district becomes eligible for state assistance, it shall submit the question of levying that tax to the district electors as follows:

(a) In accordance with section 3318.06 of the Revised Code if it will also be necessary pursuant to division (E) of this section to submit a proposal for approval of a bond issue;

(b) In accordance with section 3318.361 of the Revised Code if it is not necessary to also submit a proposal for approval of a bond issue pursuant to division (E) of this section.

(5) No state assistance under sections 3318.01 to 3318.20 of the Revised Code shall be released until a school district board that adopts and certifies a resolution under division (D) of this section also demonstrates to the satisfaction of the commission compliance with the provisions of division (D)(2) of this section.

Any amount required for maintenance under division (D)(2) of this section shall be deposited into a separate fund as specified in division (B) of section 3318.05 of the Revised Code.

(E)(1) If the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code based on its percentile ranking as determined under division (B) of this section, the commission shall conduct a new assessment of the school district's classroom facilities needs and shall recalculate the basic project cost based on this new assessment. The basic project cost recalculated under this division shall include the amount of expenditures made by the school district board under division (D)(1) of this section. The commission shall then recalculate the school district's portion of the new basic project cost, which shall be the percentage of the original basic project cost assigned to the school district as its portion under division (C) of this section. The commission shall deduct the expenditure of school district moneys made under division (D)(1) of this section from the school district's portion of the basic project cost as

recalculated under this division. If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is less than the total amount of such portion as recalculated under this division, the school district board by a majority vote of all of its members shall, if it desires to seek state assistance under sections 3318.01 to 3318.20 of the Revised Code, adopt a resolution as specified in section 3318.06 of the Revised Code to submit to the electors of the school district the question of approval of a bond issue in order to pay any additional amount of school district portion required for state assistance. Any tax levy approved under division (D) of this section satisfies the requirements to levy the additional tax under section 3318.06 of the Revised Code.

(2) If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is more than the total amount of such portion as recalculated under this division, within one year after the school district's portion is recalculated under division (E)(1) of this section the commission may grant to the school district the difference between the two calculated portions, but at no time shall the commission expend any state funds on a project in an amount greater than the state's portion of the basic project cost as recalculated under this division.

Any reimbursement under this division shall be only for local resources the school district has applied toward construction cost expenditures for the classroom facilities approved by the commission, which shall not include any financing costs associated with that construction.

The school district board shall use any moneys reimbursed to the district under this division to pay off any debt service the district owes for classroom facilities constructed under its project under this section before such moneys are applied to any other purpose. However, the district board first may deposit moneys reimbursed under this division into the district's general fund or a permanent improvement fund to replace local resources the district withdrew from those funds, as long as, and to the extent that, those local resources were used by the district for constructing classroom facilities included in the district's basic project cost.

(F) If a school district has entered into an agreement with the commission under this section and the electors of the district have approved a bond issue to pay the district's portion of the basic project cost, the district shall not be ranked in a higher percentile under section 3318.011 of the Revised Code than the percentile in which the district was ranked on the date that the bond issue was approved, regardless of the district's three-year

average adjusted valuation per pupil calculated under that section for any subsequent fiscal year.

Sec. 3318.47. (A) On the effective date of this section, the director of budget and management shall transfer any amount on hand in the fund established under former section 3318.47 of the Revised Code, as that section existed prior to the effective date of this section, into the fund established under section 3318.15 of the Revised Code.

(B) On or after the effective date of this section, any amounts received from school districts in repayment of loans made under former sections 3318.47 to 3318.49, as those sections existed prior to the effective date of this section, shall be deposited into the fund established under section 3318.15 of the Revised Code.

Sec. 3319.28. (A) As used in this section, "STEM school" means a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code.

(B) Notwithstanding any other provision of the Revised Code or any rule adopted by the state board of education to the contrary, the state board shall issue a two-year provisional educator license for teaching science, technology, engineering, or mathematics in grades six through twelve in a STEM school to any applicant who meets the following conditions:

(1) Holds a bachelor's degree from an accredited institution of higher education in a field related to the subject area to be taught;

(2) Has passed an examination prescribed by the state board in the subject area to be taught.

(C) The holder of a provisional educator license issued under this section shall complete a structured apprenticeship program provided by an educational service center or a teacher preparation program approved under section 3319.23 of the Revised Code, in partnership with the STEM school that employs the license holder. The apprenticeship program shall include the following:

(1) Mentoring by a teacher or administrator who regularly observes the license holder's classroom instruction, provides feedback on the license holder's teaching strategies and classroom management, and engages the license holder in discussions about methods for fostering and measuring student learning;

(2) Regularly scheduled seminars or meetings that address the following topics:

(a) The statewide academic standards adopted by the state board under section 3301.079 of the Revised Code and the importance of aligning curriculum with those standards;

(b) The achievement tests prescribed by section 3301.0710 of the Revised Code;

(c) The school district and building accountability system established under Chapter 3302. of the Revised Code;

(d) Instructional methods and strategies;

(e) Student development;

(f) Assessing student progress and providing remediation and intervention, as necessary, to meet students' special needs;

(g) Classroom management and record keeping.

(D) After two years of teaching under a provisional educator license issued under this section, a person may apply for a five-year professional educator license in the same subject area named in the provisional license. The state board shall issue the applicant a professional educator license if the applicant meets the following conditions:

(1) The applicant completed the apprenticeship program described in division (C) of this section.

(2) The applicant receives a positive recommendation indicating that the applicant is an effective teacher from both of the following:

(a) The chief administrative officer of the STEM school that most recently employed the applicant as a classroom teacher;

(b) The educational service center or teacher preparation program administrator in charge of the apprenticeship program completed by the applicant.

(E) The department of education shall evaluate the experiences of STEM schools with classroom teachers holding provisional educator licenses issued under this section. The evaluation shall cover the first two school years for which licenses are issued and shall consider at least the schools' satisfaction with the teachers and the operation of the apprenticeship programs.

Sec. 3319.29. Each application for any license or certificate pursuant to sections 3319.22 to 3319.27 of the Revised Code or for any, or permit pursuant to section 3319.301, 3319.302, 3319.303, or 3319.304 of the Revised Code under this chapter, or renewal or duplicate of such a license, certificate, or permit, shall be accompanied by the payment of a fee in the amount established under division (A) of section 3319.51 of the Revised Code. Any fees received under this section shall be paid into the state treasury to the credit of the state board of education licensure fund established under division (B) of section 3319.51 of the Revised Code.

Any person applying for or holding a license, certificate, or permit pursuant to this section and sections 3319.22 to 3319.27 or section

~~3319.301, 3319.302, 3319.303, or 3319.304~~ of the Revised Code under this chapter is subject to sections 3123.41 to 3123.50 of the Revised Code and any applicable rules adopted under section 3123.63 of the Revised Code and sections 3319.31 and 3319.311 of the Revised Code.

Sec. 3319.291. (A) The state board of education shall require each of the following persons, at the times prescribed by division (A) of this section, to submit two complete sets of fingerprints and written permission that authorizes the superintendent of public instruction to forward the fingerprints to the bureau of criminal identification and investigation pursuant to division (F) of section 109.57 of the Revised Code and that authorizes that bureau to forward the fingerprints to the federal bureau of investigation for purposes of obtaining any criminal records that the federal bureau maintains on the person:

(1) Any person initially applying for any certificate, license, or permit described in this chapter or in division (B) of section 3301.071; or in section 3301.074, ~~3319.088, 3319.29, 3319.302, or 3319.304, or in division (A) of section 3319.303~~ of the Revised Code at the time that application is made;

(2) Any person applying for renewal of any certificate, license, or permit described in division (A)(1) of this section at the time that application is made;

(3) Any person who is teaching under a professional teaching certificate issued under former section 3319.22 or under section 3319.222 of the Revised Code upon a date prescribed by the state board that is not later than five years after the date that the certificate was issued or renewed;

(4) Any person who is teaching under a permanent teaching certificate issued under former section 3319.22 or under section 3319.222 of the Revised Code upon a date prescribed by the state board and every five years thereafter.

(B) Except as provided in division (C) of this section, prior to issuing or renewing any certificate, license, or permit described in division (A)(1) or (2) of this section and in the case of a person required to submit fingerprints and written permission under division (A)(3) or (4) of this section, the state board or the superintendent of public instruction shall request the superintendent of the bureau of criminal identification and investigation to investigate and determine whether the bureau has any information, gathered pursuant to division (A) of section 109.57 of the Revised Code, pertaining to any person submitting fingerprints and written permission under this section. If the person does not present proof that the person has been a resident of this state for the five-year period immediately prior to the date upon which the investigation described in this division is requested, or does

not provide evidence that within that five-year period the superintendent of the bureau of criminal identification and investigation has requested information about the person from the federal bureau of investigation, the state board or the superintendent of public instruction shall request the superintendent of the bureau of criminal identification and investigation to obtain any criminal records that the federal bureau of investigation has on the person. If the person presents proof that the person has been a resident of this state for that five-year period, the state board or the superintendent of public instruction may request the superintendent of the bureau of criminal identification and investigation to obtain any criminal records that the federal bureau of investigation has on the person.

(C) The state board or the superintendent of public instruction may choose not to request any information required by division (B) of this section if the person applying for the issuance or renewal of a certificate, license, or permit described in division (A)(1) or (2) of this section or the person required to submit fingerprints and written permission under division (A)(3) or (4) of this section provides proof that a criminal records check was conducted on the person as a condition of employment pursuant to section 3319.39 of the Revised Code within the immediately preceding year. The state board or the superintendent of public instruction may accept a certified copy of records that were issued by the bureau of criminal identification and investigation and that are presented by a person applying for the issuance or renewal of a certificate, license, or permit described in this section in lieu of requesting that information under division (B) of this section if the records were issued by the bureau within the immediately preceding year.

Sec. 3319.301. (A) As used in this section, "STEM school" means a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code.

(B) The state board of education shall issue permits to individuals who are not licensed as required by sections 3319.22 to 3319.30 of the Revised Code, but who are otherwise qualified, to teach classes for not more than a total of twelve hours a week, except that an individual teaching in a STEM school may teach classes for not more than a total of forty hours a week. The state board, by rule, shall set forth the qualifications, other than licensure under sections 3319.22 to 3319.30 of the Revised Code, to be met by individuals in order to be issued a permit as provided in this section. Such qualifications shall include the possession of a baccalaureate, master's, or doctoral degree in, or significant experience related to, the subject the individual is to teach. Applications for permits pursuant to this section shall be made in accordance with section 3319.29 of the Revised Code.

The state board, by rule, shall authorize the board of education of each school district and each STEM school to engage individuals holding permits issued under this section to teach classes for not more than a the total number of twelve hours a week specified in the permit. The rules shall include provisions with regard to each of the following:

(1) That a board of education or STEM school shall engage a nonlicensed individual to teach pursuant to this section on a volunteer basis, or by entering into a contract with the individual or the individual's employer on such terms and conditions as are agreed to between the board or school and the individual or the individual's employer;

(2) That an employee of the board of education or STEM school who is licensed under sections 3319.22 to 3319.30 of the Revised Code shall directly supervise a nonlicensed individual who is engaged to teach pursuant to this section until the superintendent of the school district or the chief administrative officer of the STEM school is satisfied that the nonlicensed individual has sufficient understanding of, and experience in, effective teaching methods to teach without supervision.

~~(B)~~(C) A nonlicensed individual engaged to teach pursuant to this section is a teacher for the purposes of Title XXXIII of the Revised Code except for the purposes of Chapters 3307. and 3317. and sections 3319.07 to 3319.31 of the Revised Code. Such an individual is not an employee of the ~~school district~~ board of education or STEM school for the purpose of Titles I or XLI or Chapter 3309. of the Revised Code.

~~(C)~~(D) Students enrolled in a class taught by a nonlicensed individual pursuant to this section and rules adopted thereunder shall receive the same credit as if the class had been taught by an employee licensed pursuant to sections 3319.22 to 3319.30 of the Revised Code.

~~(D)~~(E) No board of education of any school district shall engage any one or more nonlicensed individuals if such employment displaces from employment an existing licensed employee of the district.

Sec. 3319.31. (A) As used in this section and sections 3123.41 to 3123.50 and 3319.311 of the Revised Code, "license" means a certificate, license, or permit described in this chapter or in division (B) of section 3301.071; or in section 3301.074, 3319.088, 3319.29, 3319.302, or 3319.304, or in division (A) of section 3319.303 of the Revised Code.

(B) For any of the following reasons, the state board of education, in accordance with Chapter 119. and section 3319.311 of the Revised Code, may refuse to issue a license to an applicant, may limit a license it issues to an applicant, or may suspend, revoke, or limit a license that has been issued to any person:

(1) Engaging in an immoral act, incompetence, negligence, or conduct that is unbecoming to the applicant's or person's position;

(2) A plea of guilty to, a finding of guilt by a jury or court of, or a conviction of any of the following:

(a) A felony;

(b) A violation of section 2907.04 or 2907.06 or division (A) or (B) of section 2907.07 of the Revised Code;

(c) An offense of violence;

(d) A theft offense, as defined in section 2913.01 of the Revised Code;

(e) A drug abuse offense, as defined in section 2925.01 of the Revised Code, that is not a minor misdemeanor;

(f) A violation of an ordinance of a municipal corporation that is substantively comparable to an offense listed in divisions (B)(2)(a) to (e) of this section.

(C) The state board may take action under division (B) of this section on the basis of substantially comparable conduct occurring in a jurisdiction outside this state or occurring before a person applies for or receives any license.

(D) The state board may adopt rules in accordance with Chapter 119. of the Revised Code to carry out this section and section 3319.311 of the Revised Code.

Sec. 3319.55. (A) A grant program is hereby established to recognize and reward teachers in public and chartered nonpublic schools who hold valid teaching certificates or licenses issued by the national board for professional teaching standards. The superintendent of public instruction shall administer this program in accordance with this section and rules which the state board of education shall adopt in accordance with Chapter 119. of the Revised Code.

In each fiscal year that the general assembly appropriates funds for purposes of this section, the superintendent of public instruction shall award a grant to each person who, by the first day of April of that year and in accordance with the rules adopted under this section, submits to the superintendent evidence indicating ~~at~~ both of the following:

(1) The person holds a valid certificate or license issued by the national board for professional teaching standards;

(2) The person has been employed full-time as a teacher by the board of education of a school district or by a chartered nonpublic school in this state during the current school year;

~~(3) The date the person was accepted into the national board certification or licensure program.~~

An individual may receive a grant under this section in each fiscal year the person is eligible for a grant and submits evidence of that eligibility in accordance with this section. No person may receive a grant after the expiration of the person's initial certification or license issued by the national board.

(B) The amount of the grant awarded to each eligible person under division (A) of this section in any fiscal year shall equal ~~the following:~~

~~(1) Two two thousand five hundred dollars for any teacher accepted as a candidate for certification or licensure by the national board on or before May 31, 2003, and issued a certificate or license by the national board on or before December 31, 2004;~~

~~(2) One thousand dollars for any other teacher issued a certificate or license by the national board.~~

~~However.~~ However, if the funds appropriated for purposes of this section in any fiscal year are not sufficient to award the full grant amount to each person who is eligible in that fiscal year, the superintendent shall prorate the amount of the grant awarded in that fiscal year to each eligible person.

Sec. 3321.03. ~~Except~~ As used in this section and section 3321.04 of the Revised Code, "special education program" means a school or the educational agency that provides special education and related services to children with disabilities in accordance with Chapter 3323. of the Revised Code.

Except as provided in this section, the parent of a child of compulsory school age shall cause such child to attend a school in the school district in which the child is entitled to attend school under division (B) or (F) of section 3313.64 or section 3313.65 of the Revised Code, to participate in a special education program under Chapter 3323. of the Revised Code, or to otherwise cause ~~him~~ the child to be instructed in accordance with law. Every child of compulsory school age shall attend a school or participate in a special education program that conforms to the minimum standards prescribed by the state board of education until the child:

(A) Receives a diploma granted by the board of education or other governing authority, successfully completes the curriculum of any high school, or successfully completes the individualized education program developed for the student by any high school pursuant to ~~section 3323.08~~ Chapter 3323. of the Revised Code;

(B) Receives an age and schooling certificate as provided in section 3331.01 of the Revised Code; or

(C) Is excused from school under standards adopted by the state board

of education pursuant to section 3321.04 of the Revised Code, or if in need of special education, ~~he~~ the child is excused from such programs pursuant to section 3321.04 of the Revised Code.

Sec. 3323.01. As used in this chapter:

(A) "Child with a disability" means a child who is at least three years of age and less than twenty-two years of age; who has mental retardation, a hearing impairment (including deafness), a speech or language impairment, a visual impairment (including blindness), a serious emotional disturbance, an orthopedic impairment, autism, traumatic brain injury, an other health impairment, a specific learning disability, deaf-blindness, or multiple disabilities; and who, by reason thereof, needs special education and related services.

A "child with a disability" may include a child who is at least three years of age and less than six years of age; who is experiencing developmental delays, as defined by standards adopted by the state board of education and as measured by appropriate diagnostic instruments and procedures in one or more of the following areas: physical development, cognitive development, communication development, social or emotional development, or adaptive development; and who, by reason thereof, needs special education and related services.

(B) "County MR/DD board" means a county board of mental retardation and developmental disabilities.

(C) "Free appropriate public education" means special education and related services that meet all of the following:

(1) Are provided at public expense, under public supervision and direction, and without charge;

(2) Meet the standards of the state board of education;

(3) Include an appropriate preschool, elementary, or secondary education as otherwise provided by the law of this state;

(4) Are provided for each child with a disability in conformity with the child's individualized education program.

(D) "Homeless children" means "homeless children and youths" as defined in section 725 of the "McKinney-Vento Homeless Assistance Act," 42 U.S.C. 11434a.

(E) "Individualized education program" or "IEP" means the written statement described in section 3323.011 of the Revised Code.

(F) "Individualized education program team" or "IEP team" means a group of individuals composed of:

(1) The parents of a child with a disability;

(2) At least one regular education teacher of the child, if the child is or

may be participating in the regular education environment:

(3) At least one special education teacher, or where appropriate, at least one special education provider of the child;

(4) A representative of the school district who meets all of the following:

(a) Is qualified to provide, or supervise the provision of, specially designed instruction to meet the unique needs of children with disabilities;

(b) Is knowledgeable about the general education curriculum;

(c) Is knowledgeable about the availability of resources of the school district.

(5) An individual who can interpret the instructional implications of evaluation results, who may be a member of the team as described in divisions (F)(2) to (4) of this section;

(6) At the discretion of the parent or the school district, other individuals who have knowledge or special expertise regarding the child, including related services personnel as appropriate;

(7) Whenever appropriate, the child with a disability.

(G) "Instruction in braille reading and writing" means the teaching of the system of reading and writing through touch commonly known as standard English braille.

(H) "Other educational agency" means a department, division, bureau, office, institution, board, commission, committee, authority, or other state or local agency, which is not a city, local, or exempted village school district or an agency administered by the department of mental retardation and developmental disabilities, that provides or seeks to provide special education or related services to children with disabilities. The term "other educational agency" includes a joint vocational school district.

(I) "Parent" of a child with a disability, except as used in sections 3323.09 and 3323.141 of the Revised Code, means:

(1) A natural or adoptive parent of a child but not a foster parent of a child;

(2) A guardian, but not the state if the child is a ward of the state;

(3) An individual acting in the place of a natural or adoptive parent, including a grandparent, stepparent, or other relative, with whom the child lives, or an individual who is legally responsible for the child's welfare;

(4) An individual assigned to be a surrogate parent, provided the individual is not prohibited by this chapter from serving as a surrogate parent for a child.

(J) "Preschool child with a disability" means a child with a disability who is at least three years of age but is not of compulsory school age, as

defined under section 3321.01 of the Revised Code, and who is not currently enrolled in kindergarten.

(K) "Related services" means transportation, and such developmental, corrective, and other supportive services (including speech-language pathology and audiology services, interpreting services, psychological services, physical and occupational therapy, recreation, including therapeutic recreation, school nurse services designed to enable a child with a disability to receive a free appropriate public education as described in the individualized education program of the child, counseling services, including rehabilitation counseling, orientation and mobility services, school health services, social work services in schools, and parent counseling and training, and medical services, except that such medical services shall be for diagnostic and evaluation purposes only) as may be required to assist a child with a disability to benefit from special education, and includes the early identification and assessment of disabling conditions in children. "Related services" does not include a medical device that is surgically implanted, or the replacement of such device.

(L) "School district" means a city, local, or exempted village school district.

(M) "School district of residence," as used in sections 3323.09, 3323.091, 3323.13, and 3323.14 of the Revised Code, means:

(1) The school district in which the child's natural or adoptive parents reside;

(2) If the school district specified in division (M)(1) of this section cannot be determined, the last school district in which the child's natural or adoptive parents are known to have resided if the parents' whereabouts are unknown;

(3) If the school district specified in division (M)(2) of this section cannot be determined, the school district determined under section 2151.362 of the Revised Code, or if no district has been so determined, the school district as determined by the probate court of the county in which the child resides.

(4) Notwithstanding divisions (M)(1) to (3) of this section, if a school district is required by section 3313.65 of the Revised Code to pay tuition for a child, that district shall be the child's school district of residence.

(N) "Special education" means specially designed instruction, at no cost to parents, to meet the unique needs of a child with a disability. "Special education" includes instruction conducted in the classroom, in the home, in hospitals and institutions, and in other settings, including an early childhood education setting, and instruction in physical education.

(O) "Student with a visual impairment" means any person who is less than twenty-two years of age and who has a visual impairment as that term is defined in this section.

(P) "Transition services" means a coordinated set of activities for a child with a disability that meet all of the following:

(1) Is designed to be within a results-oriented process, that is focused on improving the academic and functional achievement of the child with a disability to facilitate the child's movement from school to post-school activities, including post-secondary education; vocational education; integrated employment (including supported employment); continuing and adult education; adult services; independent living; or community participation;

(2) Is based on the individual child's needs, taking into account the child's strengths, preferences, and interests;

(3) Includes instruction, related services, community experiences, the development of employment and other post-school adult living objectives, and, when appropriate, acquisition of daily living skills and functional vocational evaluation.

"Transition services" for children with disabilities may be special education, if provided as specially designed instruction, or may be a related service, if required to assist a child with a disability to benefit from special education.

(Q) "Visual impairment" for any individual means that one of the following applies to the individual:

(1) The individual has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision in the better eye such that the widest diameter subtends an angular distance of no greater than twenty degrees.

(2) The individual has a medically indicated expectation of meeting the requirements of division (Q)(1) of this section over a period of time.

(3) The individual has a medically diagnosed and medically uncorrectable limitation in visual functioning that adversely affects the individual's ability to read and write standard print at levels expected of the individual's peers of comparable ability and grade level.

(R) "Ward of the state" has the same meaning as in section 602(36) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1401(36).

Sec. 3323.011. As used in this chapter, "individualized education program" or "IEP" means a written statement for each child with a disability that is developed, reviewed, and revised in accordance with this definition

and that includes:

(A) A statement of the child's present levels of academic achievement and functional performance, including:

(1) How the child's disability affects the child's involvement and progress in the general education curriculum;

(2) For a preschool child with a disability, as appropriate, how the disability affects the child's participation in appropriate activities;

(3) For a child with a disability who is not a preschool child and who will take alternate assessments aligned to alternate achievement standards, a description of benchmarks or short-term objectives.

(B) A statement of measurable annual goals, including academic and functional goals and, at the discretion of the department of education, short-term instructional objectives that are designed to:

(1) Meet the child's needs that result from the child's disability so as to enable the child to be involved in and make progress in the general education curriculum;

(2) Meet each of the child's other educational needs that result from the child's disability.

(C) A description of how the child's progress toward meeting the annual goals described pursuant to division (B) of this section will be measured and when periodic reports on the progress the child is making toward meeting the annual goals will be provided. Such reports may be quarterly or other periodic reports that are issued concurrent with the issuance of regular report cards.

(D) A statement of the special education and related services and supplementary aids and services, based on peer-reviewed research to the extent practicable, to be provided to the child, or on behalf of the child, and a statement of the program modifications or supports for school personnel that will be provided for the child so that the child may:

(1) Advance appropriately toward attaining the annual goals described pursuant to division (B) of this section;

(2) Be involved in and make progress in the general education curriculum and participate in extracurricular and other nonacademic activities;

(3) Be educated with and participate with both other children with disabilities and nondisabled children in the specific activities described pursuant to division (D) of this section.

(E) An explanation of the extent, if any, to which the child will not participate with nondisabled children in the regular class, including an early childhood education setting, and in the activities described pursuant to

division (D) of this section:

(F) A statement of any individual appropriate accommodations that are necessary to measure the academic achievement and functional performance of the child on state and districtwide assessments consistent with section 612(a)(16) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1412(a)(16). If the IEP team determines that the child shall take an alternate assessment on a particular state or districtwide assessment of student achievement, the IEP shall contain a statement of why the child cannot participate in the regular assessment and why the particular alternate assessment selected is appropriate for the child.

(G) The projected date for the beginning of the services and modifications described pursuant to division (D) of this section and the anticipated frequency, location, and duration of those services and modifications:

(H) Beginning not later than the first IEP to be in effect when the child is sixteen years of age, and updated annually thereafter, a statement describing:

(1) Appropriate measurable post-secondary goals based upon age-appropriate transition assessments related to training, education, employment, and independent living skills;

(2) The transition services, including courses of study, needed to assist the child in reaching the goals described in division (H)(1) of this section.

(I) Beginning not later than one year before the child reaches eighteen years of age, a statement that the child has been informed of the child's rights under Title XX of the United States Code that will transfer to the child on reaching eighteen years of age in accordance with section 615(m) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1415(m).

Nothing in this section shall be construed to require that additional information be included in a child's IEP beyond the items explicitly required by this section and that the IEP team include information under one component of a child's IEP that is already contained under another component of the IEP.

Sec. ~~3323.014~~ 3323.013. (A) The individualized education program required for any student with a visual ~~disability~~ impairment under this chapter shall include the following, in addition to the statements required pursuant to ~~division (E) of section 3323.04~~ 3323.011 of the Revised Code:

(1) A statement that instruction in braille reading and writing was carefully considered for the student and that pertinent literature describing the educational benefits of instruction in braille reading and writing was

reviewed by the persons developing the student's individualized education program;

(2) A statement specifying the one or more reading and writing media in which instruction is appropriate for the student's educational needs;

(3) If instruction in braille reading and writing is specified as appropriate for the student pursuant to division (A)(2) of this section, a statement of the instruction in braille reading and writing that is to be provided to the student. This statement shall specify the date on which the instruction is to commence, the frequency and duration of instruction sessions, the level of competency in braille reading and writing expected to be achieved annually, and the objective assessment measures to be used. Whenever appropriate, the expected level of braille competency for the student shall be to enable the student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level and the instruction in braille reading and writing that is to be provided shall be designed accordingly.

(B) If the individualized education program for any student with a visual ~~disability~~ impairment does not specify instruction in braille reading and writing as appropriate for the student pursuant to division (A)(2) of this section, each annual review of that student's individualized education program, ~~as provided pursuant to division (C) of section 3323.08 of the Revised Code,~~ shall include a written statement specifying the reasons why instruction in braille reading and writing is not appropriate for the student.

(C)(1) No student with a visual ~~disability~~ impairment shall be denied instruction in braille reading and writing pursuant to this section solely because the student has some remaining vision or because the student is to receive reading and writing instruction in another medium.

(2) Nothing in this section shall be construed to require the exclusive use of instruction through the medium of braille reading and writing if other reading and writing media are appropriate to a student's educational needs.

(D) Any instruction in braille reading and writing provided to any student with a visual ~~disability~~ impairment pursuant to division (A)(3) of this section shall be provided by a teacher licensed to teach students with visual ~~disabilities~~ impairments.

Sec. 3323.014. If an agency other than the school district responsible for a child's IEP fails to provide the transition services described in the IEP, the school district that is responsible for the IEP shall reconvene the IEP team to identify alternative strategies to meet the transition objectives for the child set out in the child's IEP.

Sec. 3323.02. ~~It~~ As used in this section, "IDEIA" means the "Individuals

with Disabilities Education Improvement Act of 2004," Pub. L. No. 108-446.

It is the purpose of this chapter to assure ensure that all handicapped children three to twenty-one years of age in this state shall be provided with an with disabilities residing in this state who are at least three years of age and less than twenty-two years of age, including children with disabilities who have been suspended or expelled from school, have available to them a free appropriate public education. No educational program for handicapped children shall be operated except in accordance with procedures, standards, and guidelines adopted by the state board of education, and no school district, county board of mental retardation and developmental disabilities, or other educational agency shall receive state or federal funds for a special education program unless such program is operated in accordance with all procedures, standards, and guidelines adopted by the state board. The state board of education shall establish standards for special education and related services for all handicapped children in the state, regardless of the severity of their handicap school district, county MR/DD board, or other educational agency shall receive state or federal funds for special education and related services unless those services for children with disabilities are provided in accordance with IDEIA and related provisions of the Code of Federal Regulations, the provisions of this chapter, rules and standards adopted by the state board of education, and any procedures or guidelines issued by the superintendent of public instruction. Any options or discretion provided to the state by IDEIA may be exercised in state law or in rules or standards adopted by the state board of education.

The state board of education shall establish rules or standards for the provision of special education and related services for all children with disabilities who are at least three years of age and less than twenty-two years of age residing in the state, regardless of the severity of their disabilities, including children with disabilities who have been suspended or expelled from school. The state law and the rules or standards of the state board of education may impose requirements that are not required by IDEIA or related provisions of the Code of Federal Regulations. The school district of residence is responsible, in all instances, for ensuring that the requirements of Part B of IDEIA are met for every eligible child in its jurisdiction, regardless of whether services are provided by another school district, other educational agency, or other agency, department, or entity, unless IDEIA or related provisions of the Code of Federal Regulations, another section of this chapter, or a rule adopted by the state board of education specifies that another school district, other educational agency, or other agency,

department, or entity is responsible for ensuring compliance with Part B of IDEIA.

Notwithstanding division (A)(4) of section 3301.53 of the Revised Code and any rules adopted pursuant to that section and division (A) of section 3313.646 of the Revised Code, a board of education of a school district may ~~operate an educational program for handicapped~~ provide special education and related services for preschool children with disabilities in accordance with this chapter and section 3301.52, divisions (A)(1) to (3) and (A)(5) and (6) of section 3301.53, and sections 3301.54 to ~~3301.57~~ 3301.59 of the Revised Code.

The ~~state board of education~~ superintendent of public instruction may require any state or local agency to provide documentation that ~~programs for handicapped children operated~~ special education and related services for children with disabilities provided by the agency are in compliance with the requirements of this chapter.

Not later than the first day of February of each year the superintendent of public instruction shall furnish the ~~chairmen~~ chairpersons of the education committees of the house of representatives and the senate with a report on the status of implementation of ~~programs and~~ special education and related services for ~~handicapped~~ children with disabilities required by this chapter. The report shall include but shall not be limited to the following items: the most recent available figures on the number of children identified as ~~handicapped~~, the number of persons placed in appropriate special education programs, and a summary of the reasons for nonplacement ~~of identified persons~~ children with disabilities and the number of identified children receiving special education and related services. The information contained in these reports shall be public information.

Sec. 3323.03. The state board of education shall, in consultation with the department of health, the department of mental health, and the department of mental retardation and developmental disabilities, establish standards and procedures for the identification, location, and evaluation of all ~~handicapped~~ children with disabilities residing in the state, including children with disabilities who are homeless children or are wards of the state and children with disabilities attending nonpublic schools, regardless of the severity of their handicap. ~~No single method, device, or evaluation criterion shall be the sole criterion for determining an appropriate educational program for a handicapped child. The state board shall require the~~ disabilities, and who are in need of special education and related services. The state board shall develop and implement a practical method to determine which children with disabilities are currently receiving needed

special education and related services.

In conducting the evaluation, the board of education of each school district shall use a variety of assessment tools and strategies to gather relevant functional, developmental, and academic information about the child, including information provided by the child's parent. The board of education of each school district, in consultation with the county boards of mental retardation and developmental disabilities and the boards MR/DD board, the county family and children first council, and the board of alcohol, drug addiction, and mental health services of each county in which the school district has territory, shall identify, locate, and evaluate all handicapped children with disabilities residing within the district to determine which handicapped children with disabilities are not receiving appropriate special education and related services. In addition, the board of education of each school district, in consultation with such county boards or council, shall identify, locate, and evaluate all children with disabilities who are enrolled by their parents in nonpublic elementary and secondary schools located within the public school district, without regard to where those children reside in accordance with rules of the state board of education or guidelines of the superintendent of public instruction.

~~County boards of mental retardation and developmental disabilities and boards~~ Each county MR/DD board, county family and children first council, and board of alcohol, drug addiction, and mental health services and ~~their~~ the board's or council's contract agencies may transmit to boards of education the names and addresses of ~~handicapped~~ handicapped children with disabilities who are not receiving appropriate special education and related services.

Sec. 3323.031. The board of education of each school district shall annually assess the reading and writing skills of each student with a visual ~~disability~~ impairment enrolled in the district in each medium in which instruction is specified as appropriate for the student pursuant to division (A)(2) of section ~~3323.044~~ 3323.013 of the Revised Code. The results of each assessment shall be provided in a written statement that specifies the student's strengths and weaknesses in each medium assessed.

Sec. 3323.04. The state board of education, in consultation with the department of mental health and the department of mental retardation and developmental disabilities, shall establish procedures and standards for the ~~placement of handicapped children in appropriate educational programs~~ development of individualized education programs for children with disabilities.

The state board shall require the board of education of each school district to ~~place each handicapped child three to twenty one years of age~~

~~residing within the district in an appropriate education program in accordance with section 3319.01 of the Revised Code, which may include instruction in regular classes, a special education program, or any combination thereof.~~ Prior develop an individualized education program for each child with a disability who is at least three years of age and less than twenty-two years of age residing in the district in a manner that is in accordance with rules of the state board.

Prior to the placement of a ~~handicapped~~ child with a disability in a program operated under section 3323.09 of the Revised Code, the district board of education shall consult the county MR/DD board of ~~mental retardation and developmental disabilities~~ of the county in which the child resides. The board of education shall evaluate the educational placement of each ~~handicapped~~ child at least once each year regarding the proposed placement.

A child with a disability enrolled in a nonpublic school or facility shall be provided special education and related services, in accordance with an individualized education program, at no cost for those services, if the child is placed in, or referred to, that nonpublic school or facility by the department of education or a school district.

The IEP team shall review the individualized education program of each child with a disability periodically, but at least annually, to determine whether the annual goals for the child are being achieved, and shall revise the individualized education program as appropriate.

The state board shall establish procedures and standards to assure that to the maximum extent appropriate, ~~handicapped~~ children with disabilities, including children in public or private institutions or other care facilities, shall be educated with children who are not ~~handicapped~~ disabled. Special classes, separate schools, or other removal of children with disabilities from the regular educational environment shall be used only when the nature or severity of a child's disability is such that education in regular classes with supplementary aids and services cannot be achieved satisfactorily.

If an agency directly affected by a placement decision objects to such decision, an ~~independent~~ impartial hearing officer, appointed by the ~~school district and the objecting agency~~ department of education from a list prepared by the state department of education in consultation with the ~~department of mental health or the department of mental retardation and developmental disabilities~~, shall conduct a hearing to review the placement decision. The agencies that are parties to a hearing shall divide the costs of such hearing equally. The decision of the hearing officer shall be final, except that any party to the hearing who is aggrieved by the findings or the

decision of the hearing officer may appeal the findings or decision in accordance with division (H) of section 3323.05 of the Revised Code or the parent of any child affected by such decision or his parents may present a complaint in accordance with that section 3323.05 of the Revised Code.

Sec. 3323.041. To the extent consistent with the number and location of children with disabilities in the state who are enrolled by their parents in nonpublic elementary and secondary schools in the school district served by a board of education of a school district, provision is made for the participation of those children in the program for the education of children with disabilities which is assisted or carried out under Part B of the Individuals with Disabilities Education Improvement Act of 2004, P.L. 108-446. The district in which the nonpublic elementary or secondary school is located shall provide for such children special education and related services in accordance with Section 612(a)(10) of the Individuals with Disabilities Education Improvement Act of 2004, 20 U.S.C. 1412(a)(10) and related provisions of the Code of Federal Regulations and in accordance with any rules adopted by the state board of education or guidelines issued by the superintendent of public instruction.

Amounts to be expended for the provision of those services, including direct services to parentally placed nonpublic school children, by the school district shall be equal to a proportionate amount of federal funds made available under Part B of the Individuals with Disabilities Education Improvement Act of 2004. The school district shall exercise the following responsibilities towards parentally placed children with disabilities who attend nonpublic schools located in the school district: child find, timely and meaningful consultation, written affirmation of timely and meaningful consultation, compliance, and provision of equitable services, as provided by the Individuals with Disabilities Education Improvement Act of 2004 and related provisions of the Code of Federal Regulations and in accordance with any rules adopted by the state board of education or guidelines issued by the superintendent of public instruction.

Sec. 3323.05. The state board of education shall establish procedures to assure ensure that ~~handicapped~~ children with disabilities and their parents are guaranteed procedural safeguards in decisions under this chapter relating to the identification, evaluation, or educational placement of a handicapped child or the provision of education or related services under this chapter with respect to a free appropriate public education.

The procedures shall include, but need not be limited to:

(A) An opportunity for the parents of a child with a disability to examine all relevant records related to the child and to participate in

meetings with respect to identification, evaluation, ~~or~~ and educational placement of the child, and to obtain ~~at their own expense~~ an independent educational evaluation of the child;

(B) Procedures to protect the rights of the child ~~when~~ whenever the parents of the child are ~~unknown or unavailable~~ not known, an agency after making reasonable efforts cannot find the parents, or ~~when~~ the child is a ward of the state, including the assignment, in accordance with section 3323.051 of the Revised Code, of an individual to act as a surrogate for the parents;

(C) Prior written notice to the child's parents of ~~any~~ a school district's proposal or refusal to initiate or change the identification, evaluation, or educational placement of the child, ~~including notice of all procedures available under this section. The state board of education may establish procedures to provide for the written acknowledgment by the parent of a notice of a child's placement or change of placement. In cases when no written acknowledgment has been obtained, notice of placement or change of placement shall be made by certified mail. A parent's acknowledgment under this division does not negate his rights to present complaints and appeal a placement decision under this section or the provision of a free appropriate education for the child. The procedures established under this division shall:~~

(1) Be designed to ensure that the written prior notice is in the native language of the parents, unless it clearly is not feasible to do so.

(2) Specify that the prior written notice shall include:

(a) A description of the action proposed or refused by the district;

(b) An explanation of why the district proposes or refuses to take the action and a description of each evaluation procedure, assessment, record, or report the district used as a basis for the proposed or refused action;

(c) A statement that the parents of a child with a disability have protection under the procedural safeguards and, if the notice is not in regard to an initial referral for evaluation, the means by which a copy of a description of the procedural safeguards can be obtained;

(d) Sources for parents to contact to obtain assistance in understanding the provisions of Part B of the "Individuals with Disabilities Education Improvement Act of 2004";

(e) A description of other options considered by the IEP team and the reason why those options were rejected;

(f) A description of the factors that are relevant to the agency's proposal or refusal.

(D) An opportunity for the ~~child or his~~ child's parents to present

~~complaints to the superintendent of the child's school district of residence with respect to any matter relating to the identification, evaluation, or educational placement of the child, or the provision of special education a free appropriate public education under this chapter to the superintendent of the school district of the child's residence. Upon presentation of a complaint, the superintendent shall review the case, may conduct an informal hearing, and shall notify all parties of his decision. Where the child is placed in a program operated by a county board of mental retardation and developmental disabilities or other educational agency, the superintendent shall consult with the administrator of the agency involved. Any party aggrieved by the decision of the superintendent may present a formal complaint in writing to the board of education.~~

~~(E) When a formal written complaint is received, an opportunity for the aggrieved party to receive a due process hearing conducted by an impartial hearing officer in accordance with standards and procedures adopted by the state board of education. No hearing shall be conducted by an employee of the board of education or any agency involved in the education or care of the child.~~

~~A Within twenty school days after receipt of a complaint, the district superintendent or the superintendent's designee, without undue delay and at a time and place convenient to all parties, shall review the case, may conduct an administrative review, and shall notify all parties in writing of the superintendent's or designee's decision. Where the child is placed in a program operated by a county MR/DD board or other educational agency, the superintendent shall consult with the administrator of that county MR/DD board or agency.~~

~~Any party aggrieved by the decision of the district superintendent or the superintendent's designee may file a complaint with the state board as provided under division (E) of this section, request mediation as provided under division (F) of this section, or present a due process complaint notice and request for a due process hearing in writing to the superintendent of the district, with a copy to the state board, as provided under division (G) of this section.~~

~~(E) An opportunity for a party to file a complaint with the state board of education with respect to the identification, evaluation, or educational placement of the child, or the provision of a free appropriate public education to such child. The department of education shall review and, where appropriate, investigate the complaint and issue findings.~~

~~(F) An opportunity for parents and a school district to resolve through mediation disputes involving any matter.~~

(1) The procedures established under this section shall ensure that the mediation process is voluntary on the part of the parties, is not used to deny or delay a parent's right to a due process hearing or to deny any other rights afforded under this chapter, and is conducted by a qualified and impartial mediator who is trained in effective mediation techniques.

(2) A school district may establish procedures to offer to parents and schools that choose not to use the mediation process, an opportunity to meet, at a time and location convenient to the parents, with a disinterested party to encourage the use, and explain the benefits, of the mediation process to the parents. The disinterested party shall be an individual who is under contract with a parent training and information center or community parent resource center in the state or is under contract with an appropriate alternative dispute resolution entity.

(3) The department shall maintain a list of individuals who are qualified mediators and knowledgeable in laws and regulations relating to the provision of special education and related services.

(4) The department shall bear the cost of the mediation process, including the costs of meetings described in division (F)(2) of this section.

(5) Each session in the mediation process shall be scheduled in a timely manner and shall be held in a location that is convenient to the parties to the dispute.

(6) Discussions that occur during the mediation process shall be confidential and shall not be used as evidence in any subsequent due process hearing or civil proceeding.

(7) In the case that a resolution is reached to resolve the complaint through the mediation process, the parties shall execute a legally binding agreement that sets forth the resolution and that:

(a) States that all discussions that occurred during the mediation process shall be confidential and shall not be used as evidence in any subsequent due process hearing or civil proceeding;

(b) Is signed by both the parent and a representative for the school district who has the authority to bind the district;

(c) Is enforceable in any state court of competent jurisdiction or in a district court of the United States.

(G)(1) An opportunity for parents or a school district to present a due process complaint and request for a due process hearing to the superintendent of the school district of the child's residence with respect to the identification, evaluation, or educational placement of the child, or the provision of a free appropriate public education to the child. The party presenting the due process complaint and request for a due process hearing

shall provide due process complaint notice to the other party and forward a copy of the notice to the state board. The due process complaint notice shall include:

(a) The name of the child, the address of the residence of the child, or the available contact information in the case of a homeless child, and the name of the school the child is attending;

(b) A description of the nature of the problem of the child relating to the proposed initiation or change, including facts relating to the problem;

(c) A proposed resolution of the problem to the extent known and available to the party at the time.

A party shall not have a due process hearing until the party, or the attorney representing the party, files a notice that meets the requirement for filing a due process complaint notice.

A due process hearing shall be conducted by an impartial hearing officer in accordance with standards and procedures adopted by the state board. A hearing officer shall not be an employee of the state board or any agency involved in the education or care of the child or a person having a personal or professional interest that conflicts with the person's objectivity in the hearing. A hearing officer shall possess knowledge of, and the ability to understand, the provisions of the "Individuals with Disabilities Education Improvement Act of 2004," federal and state regulations pertaining to that act, and legal interpretations of that act by federal and state courts; possess the knowledge and ability to conduct hearings in accordance with appropriate standard legal practice; and possess the knowledge and ability to render and write decisions in accordance with appropriate standard legal practice. The due process requirements of section 615 of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1415, apply to due process complaint notices and requests for due process hearings and to due process hearings held under division (G) of this section, including, but not limited to, timelines for requesting hearings, requirements for sufficient complaint notices, resolution sessions, and sufficiency and hearing decisions.

(2) Discussions that occur during a resolution session shall be confidential and shall not be used as evidence in any subsequent due process hearing or civil proceeding. If a resolution to the dispute is reached at a resolution session, the parties must execute a legally binding written settlement agreement which shall state that all discussions that occurred during the resolution process shall be confidential and shall not be used as evidence in any subsequent due process hearing or civil proceeding.

(3) A party to a hearing under ~~this~~ division (G) of this section shall be

accorded:

~~(1)~~(a) The right to be accompanied and advised by counsel and by individuals with special knowledge or training with respect to the problems of ~~handicapped~~ children with disabilities;

~~(2)~~(b) The right to present evidence and confront, cross-examine, and compel the attendance of witnesses;

~~(3)~~(c) The right to a written or electronic verbatim record of ~~such~~ the hearing;

~~(4)~~(d) The right to written findings of fact and decisions, which findings of fact and decisions shall be made available to the public consistent with the requirements relating to the confidentiality of personally identifiable data, information, and records collected and maintained by state educational agencies and local educational agencies; and shall be transmitted to the advisory panel established and maintained by the department for the purpose of providing policy guidance with respect to special education and related services for children with disabilities in the state.

~~(F)~~(H) An opportunity for any party aggrieved by the findings and decision rendered in a hearing under division ~~(E)~~(G) of this section to appeal within forty-five days of notification of the decision to the state board of ~~education~~, which shall appoint a reviewing state level officer who shall review the case and issue a final order. The reviewing state level officer shall be appointed and shall review the case in accordance with standards and procedures adopted by the state board.

Any party aggrieved by the final order of the reviewing state level officer may appeal the final order, in accordance with Chapter 119. of the Revised Code, within forty-five days of after notification of the order to the court of common pleas of the county in which the child's school district of residence is located, under Chapter 119. of the Revised Code or to a district court of the United States within ninety days after the date of the decision of the state level review officer, as provided in section 615(i)(2) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1415(i)(2).

Sec. 3323.051. No individual shall be assigned to act as a surrogate ~~parent~~ for the parents of a child with a disability under division (B) of section 3323.05 of the Revised Code if ~~he~~ the individual is an employee of the department of education or the school district or any other agency involved in the education or care of the child or if ~~he~~ the individual has any interest that conflicts with the interests of the child. If a conflict of interest arises subsequent to the assignment of a surrogate ~~parent~~, the authority that made the assignment shall terminate it and assign another surrogate ~~parent~~.

Neither the surrogate ~~parent~~ nor the authority that assigned ~~him~~ the surrogate shall be liable in civil damages for acts of the surrogate ~~parent~~ unless such acts constitute willful or wanton misconduct.

Sec. 3323.052. Not later than January 31, 2008, the department of education shall develop a document that compares a parent's and child's rights under this chapter and 20 U.S.C. 1400 et seq. with the parent's and child's rights under the special education scholarship pilot program, established in sections 3310.51 to 3310.63 of the Revised Code, including the deadline for application for a scholarship or renewal of a scholarship and notice of that application to the child's school district, prescribed in division (C) of section 3310.52 of the Revised Code, and the provisions of divisions (A) and (B) of section 3310.53 of the Revised Code. The department shall revise that document as necessary to reflect any pertinent changes in state or federal statutory law, rule, or regulation enacted or adopted after the initial document is developed. The department and each school district shall ensure that the document prescribed in this section is included in, appended to, or otherwise distributed in conjunction with the notice required under 20 U.S.C. 1415(d), and any provision of the Code of Federal Regulations implementing that requirement, in the manner and at all the times specified for such notice in federal law or regulation. As used in this section, a "child's school district" means the school district in which the child is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

Sec. 3323.06. (A) The state board of education shall develop, implement, provide general supervision of, and assure compliance with a state plan for the following:

(1) The identification, location, and evaluation of all children with disabilities in the state;

(2) The provision of special education and related services to ensure a free appropriate public education for all children with disabilities at least three years of age and less than twenty-two years of age, including children with disabilities who have been suspended or expelled from school;

(3) The availability of special education and related services for children with disabilities under three years of age, as authorized by division (C) of this section and as specified in rules of the state board.

The state plan shall provide assurances that the state board has in effect policies and procedures to ensure that the state meets the conditions specified in section 612 of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1412.

(B) The state board shall establish and maintain an advisory panel for the purpose of providing policy guidance with respect to special education

and related services for children with disabilities in the state. A majority of the members of the panel shall be individuals with disabilities or parents of children with disabilities representing all ages, birth through twenty-six years of age. The advisory panel shall meet the requirements of section 612(a)(21) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1412(a)(21), and related provisions of the Code of Federal Regulations. The panel shall advise the Ohio department of education of unmet needs within the state in the education of children with disabilities; comment publicly on rules proposed by that department regarding the education of children with disabilities; advise that department in developing evaluations and reporting on data to the United States secretary of education under section 618 of the act, 20 U.S.C. 1418; advise the Ohio department in developing corrective action plans to address findings identified in federal monitoring reports under Part B of the act; and advise the Ohio department in developing and implementing policies relating to the coordination of services for children with disabilities.

(C) In addition to the policies and procedures authorized under division (A) of this section, the state board may authorize school districts to establish and maintain special education and related services for children less than three years of age as specified in rules of the state board.

(D) In the exercise of its general supervisory responsibility, the state board shall monitor the implementation of Part B of the "Individuals with Disabilities Education Improvement Act of 2004" by school districts. Monitoring activities shall include, but are not limited to, focused monitoring, investigations of complaints, and technical assistance. The primary focus of the state board's monitoring activities shall be improving educational results and functional outcomes for all children with disabilities and ensuring that the state board meets the program requirements under Part B, with a particular emphasis on those requirements that are most closely related to improving educational results for children with disabilities.

Sec. 3323.07. The state board of education shall authorize the establishment and maintenance of ~~programs for the education of all handicapped children three to twenty one years of age, and may authorize such programs for handicapped children under three years of age~~ special education and related services for all children with disabilities who are at least three years of age and less than twenty-two years of age, including children with disabilities who have been suspended or expelled from school, and may authorize special education and related services for children with disabilities who are less than three years of age in accordance with rules adopted by the state board. The state board shall require the boards of

education of school districts, shall authorize the department of mental health and the department of mental retardation and developmental disabilities, and may authorize any other educational agency, to establish and maintain such special ~~educational programs~~ education and related services in accordance with standards adopted by the state board ~~of education~~.

Sec. 3323.08. (A) Each school district shall submit a plan to the superintendent of public instruction that provides assurances that the school district will provide for the education of children with disabilities within its jurisdiction and has in effect policies, procedures, and programs that are consistent with the policies and procedures adopted by the state board of education in accordance with section 612 of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C. 1412, and that meet the conditions applicable to school districts under section 613 of that act, 20 U.S.C. 1413.

Each district's plan shall do all of the following:

(1) Provide, as specified in section 3323.11 of the Revised Code and in accordance with standards established by the state board, for an organizational structure and necessary and qualified staffing and supervision for the identification of and provision of special education and related services for children with disabilities;

(2) Provide, as specified by section 3323.03 of the Revised Code and in accordance with standards established by the state board, for the identification, location, and evaluation of all children with disabilities residing in the district, including children with disabilities who are homeless children or are wards of the state and children with disabilities attending private schools and who are in need of special education and related services. A practical method shall be developed and implemented to determine which children with disabilities are currently receiving needed special education and related services.

(3) Provide, as specified by section 3323.07 of the Revised Code and standards established by the state board, for the establishment and maintenance of special education and related services for children with disabilities who are at least three years of age and less than twenty-two years of age, including children with disabilities who have been suspended or expelled from school.

(4) Provide, as specified by section 3323.04 of the Revised Code and in accordance with standards adopted by the state board, for an individualized education program for each child with a disability who is at least three years of age and less than twenty-two years of age residing within the district;

(5) Provide, as specified by section 3323.02 of the Revised Code and in

accordance with standards established by the state board, for special education and related services and a free appropriate public education for every child with a disability who is at least three years of age and less than twenty-two years of age, including children with disabilities who have been suspended or expelled from school;

(6) Provide procedural safeguards and prior written notice as required under section 3323.05 of the Revised Code and the standards established by the state board;

(7) Outline the steps that have been or are being taken to comply with standards established by the state board.

(B)(1) A school district may arrange, by a cooperative agreement or contract with one or more school districts or with a cooperative education or joint vocational school district or an educational service center, to provide for the identification, location, and evaluation of children with disabilities, and to provide special education and related services for such children that meet the standards established by the state board. A school district may arrange, by a cooperative agreement or contract, for the provision of related services for children with disabilities that meet the standards established by the state board.

(2) A school district shall arrange by interagency agreement with one or more school districts or with a cooperative education or joint vocational school district or an educational service center or other providers of early learning services to provide for the identification, location, evaluation of children with disabilities of ages birth through five years of age and for the transition of children with disabilities at age three in accordance with the standards established by the state board. A school district may arrange by interagency agreement with providers of early learning services to provide special education and related services for such children that meet the standards established by the state board.

(3) If at the time an individualized education program is developed for a child a school district is not providing special education and related services required by that individualized education program, the school district may arrange by contract with a nonpublic entity for the provision of the special education and related services, provided the special education and related services meet the standards for special education and related services established by the state board and is provided within the state.

(4) Any cooperative agreement or contract under division (B)(1) or (2) of this section involving a local school district shall be approved by the governing board of the educational service center which serves that district.

(C) No plan of a local school district shall be submitted to the

superintendent of public instruction until it has been approved by the superintendent of the educational service center which serves that district.

(D) Upon approval of a school district's plan by the superintendent of public instruction, the district shall immediately certify students for state funds under section 3317.03 of the Revised Code to implement and maintain such plan. The district also shall request approval of classroom units under division (B) of section 3317.05 of the Revised Code for which the district has adequately identified preschool children with disabilities and shall, in accordance with procedures adopted by the state board, request approval of units under division (C) of section 3317.05 of the Revised Code. The district shall, in accordance with guidelines adopted by the state board, identify problems relating to the provision of qualified personnel and adequate facilities, and indicate the extent to which the cost of programs required under the plan will exceed anticipated state reimbursement. Each school district shall immediately implement the identification, location, and evaluation of children with disabilities in accordance with this chapter, and shall implement those parts of the plan involving placement and provision of special education and related services.

Sec. 3323.09. (A) As used in this section:

(1) "Home" has the meaning given in section 3313.64 of the Revised Code.

(2) "Preschool child" means a child who is at least age three but under age six on the thirtieth day of September of an academic year.

(B) Each county MR/DD board shall establish special education programs for all ~~handicapped~~ children with disabilities who in accordance with section 3323.04 of the Revised Code have been placed in special education programs operated by the county board and for preschool children who are developmentally delayed or at risk of being developmentally delayed. The board annually shall submit to the department of education a plan for the provision of these programs and, if applicable, a request for approval of units under section 3317.05 of the Revised Code. The superintendent of public instruction shall review the plan and approve or modify it in accordance with rules adopted by the state board of education under section 3301.07 of the Revised Code. The superintendent of public instruction shall compile the plans submitted by county boards and shall submit a comprehensive plan to the state board ~~of education~~.

A county MR/DD board may combine transportation for children enrolled in classes funded under section 3317.20 or units approved under section 3317.05 with transportation for children and adults enrolled in programs and services offered by the board under section 5126.12 of the

Revised Code.

(C) A county MR/DD board that during the school year provided special education pursuant to this section for any ~~mentally handicapped~~ child with mental disabilities under twenty-two years of age shall prepare and submit the following reports and statements:

(1) The board shall prepare a statement for each child who at the time of receiving such special education was a resident of a home and was not in the legal or permanent custody of an Ohio resident or a government agency in this state, and whose natural or adoptive parents are not known to have been residents of this state subsequent to the child's birth. The statement shall contain the child's name, the name of the child's school district of residence, the name of the county board providing the special education, and the number of months, including any fraction of a month, it was provided. Not later than the thirtieth day of June, the board shall forward a certified copy of such statement to both the director of mental retardation and developmental disabilities and to the home.

Within thirty days after its receipt of a statement, the home shall pay tuition to the county board computed in the manner prescribed by section 3323.141 of the Revised Code.

(2) The board shall prepare a report for each school district that is the school district of residence of one or more of such children for whom statements are not required by division (C)(1) of this section. The report shall contain the name of the county board providing special education, the name of each child receiving special education, the number of months, including fractions of a month, that the child received it, and the name of the child's school district of residence. Not later than the thirtieth day of June, the board shall forward certified copies of each report to the school district named in the report, the superintendent of public instruction, and the director of mental retardation and developmental disabilities.

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 with disabilities 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 with disabilities 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 with disabilities other than ~~handicapped~~ preschool children with disabilities, calculated in accordance with section 3317.201 of the Revised Code.

Each county MR/DD board providing special education for ~~handicapped~~ children with disabilities other than ~~handicapped~~ preschool children with disabilities 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 with a disability under twenty-two years of age who has received special education. The statement shall contain the child's 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 with a disability 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 with a disability 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. 3323.11. Each school district shall employ, as necessary, the personnel to meet the needs of the children with disabilities enrolled in its schools. Personnel shall possess appropriate qualifications and certificates or licenses as prescribed in rules of the state board of education. Teachers shall be "highly qualified," as that term is defined in section 602(10) of the "Individuals with Disabilities Education Improvement Act of 2004," 20 U.S.C.1401(10).

Sec. 3323.12. The board of education of a school district shall provide home instruction for ~~handicapped~~ children ~~three to twenty-one~~ with disabilities who are at least three years of age and less than twenty-two years of age and who are unable to attend school, even with the help of special transportation. The board may arrange for the provision of home instruction for a child by a cooperative agreement or contract with a county MR/DD board ~~of mental retardation and developmental disabilities~~ or other educational agency. For the purposes of determining formula ADM under section 3317.03 of the Revised Code, five hours of home instruction shall be equivalent to attendance for five school days.

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:

(1) For any child except a ~~handicapped~~ preschool child with a disability described in division (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.

(2) For any ~~handicapped~~ preschool child with a disability 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~~ multifactored 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~~ multifactored evaluation" means an evaluation, conducted by a ~~multi-disciplinary~~ multidisciplinary 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. 3323.14. This section does not apply to any ~~handicapped~~ preschool child with a disability except if included in a unit approved under division (B) of section 3317.05 of the Revised Code.

(A) Where a child who is a school resident of one school district receives special education from another district and the per capita cost to the educating district for that child exceeds the sum of the amount received by the educating district for that child under division (A) of section 3317.08 of the Revised Code and the amount received by the district from the state board of education for that child, then the board of education of the district of residence shall pay to the board of the school district that is providing the special education such excess cost as is determined by using a formula approved by the department of education and agreed upon in contracts entered into by the boards of the ~~district~~ districts concerned at the time the district providing such special education accepts the child for enrollment. The department ~~of education~~ shall certify the amount of the payments under Chapter 3317. of the Revised Code for such ~~handicapped~~ pupils with disabilities for each school year ending on the thirtieth day of July.

(B) In the case of a child described in division (A) of this section who has been placed in a home, as defined in section 3313.64 of the Revised Code, pursuant to the order of a court and who is not subject to section 3323.141 of the Revised Code, the district providing the child with special education and related services may charge to the child's district of residence the excess cost determined by formula approved by the department, regardless of whether the district of residence has entered into a contract with the district providing the services. If the district providing the services chooses to charge excess costs, the district may report the amount calculated under this division to the department.

(C) If a district providing special education for a child reports an amount for the excess cost of those services, as authorized and calculated under division (A) or (B) of this section, the department shall pay that amount of excess cost to the district providing the services and shall deduct that amount from the child's district of residence in accordance with division (N) of section 3317.023 of the Revised Code.

Sec. 3323.141. (A) When a child who is not in the legal or permanent custody of an Ohio resident or a government agency in this state and whose natural or adoptive parents are not known to have been residents of this state subsequent to the child's birth is a resident of a home as defined in section 3313.64 of the Revised Code and receives special education and related services from a school district or county MR/DD board ~~of mental retardation and developmental disabilities~~, the home shall pay tuition to the board providing the special education.

(B) In the case of a child described in division (A) of this section who receives special education and related services from a school district, tuition shall be the amount determined under division (B)(1) or (2) of this section.

(1) For a child other than a child described in division (B)(2) of this section the tuition shall be an amount equal to the sum of the following:

(a) Tuition as determined in the manner provided for by division (B) of section 3317.081 of the Revised Code for the district that provides the special education;

(b) Such excess cost as is determined by using a formula established by rule of the department of education. The excess cost computed in this section shall not be used as excess cost computed under section 3323.14 of the Revised Code.

(2) For a child who is a ~~handicapped~~ preschool child with a disability not included in a unit approved under division (B) of section 3317.05 of the Revised Code, the tuition shall be computed as follows:

(a) Determine the amount of 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) For each type of special education service included in the computation of the amount of tuition under division (B)(2)(a) of this section, divide the amount determined for that computation under division (B)(2) of section 3317.08 of the Revised Code by the total number of ~~handicapped~~ preschool children with disabilities used for that computation under division (B)(3) of section 3317.08 of the Revised Code;

(c) Determine the sum of the quotients obtained under division (B)(2)(b) of this section;

(d) Determine the sum of the amounts determined under divisions (B)(2)(a) and (c) of this section.

(C) In the case of a child described in division (A) of this section who receives special education and related services from a county MR/DD board ~~of mental retardation and developmental disabilities~~, tuition shall be the amount determined under division (C)(1) or (2) of this section.

(1) For a child other than a child described in division (C)(2) of this section, the tuition shall be an amount equal to such board's per capita cost of providing special education and related services for children at least three but less than twenty-two years of age as determined by using a formula established by rule of the department of mental retardation and developmental disabilities.

(2) For a child who is a ~~handicapped~~ preschool child with a disability not included in a unit approved under division (B) of section 3317.05 of the Revised Code, the tuition shall equal the sum of the amounts of each such board's per capita cost of providing each of the special education or related service that the child receives. The calculation of tuition shall be made by using a formula established by rule of the department of mental retardation and developmental disabilities. The formula for the calculation of per capita costs under division (C)(2) of this section shall be based only on each such MR/DD board's cost of providing each type of special education or related service to ~~handicapped~~ preschool children with disabilities not included in a unit approved under division (B) of section 3317.05 of the Revised Code.

(D) If a home fails to pay the tuition required under this section, the board of education or county MR/DD board ~~of mental retardation and developmental disabilities~~ 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 time spent

preparing and presenting the case by the prosecuting attorney, director, or a designee of either, shall be deposited in the county or city general fund.

Sec. 3323.142. This section does not apply to any ~~handicapped~~ preschool child with a disability except if included in a unit approved under division (B) of section 3317.05 of the Revised Code.

As used in this section, "per pupil amount" for a ~~handicapped~~ preschool child with a disability included in such an approved unit means the amount determined by dividing the amount received for the classroom unit in which the child has been placed by the number of children in the unit. For any other child, "per pupil amount" means the amount paid for the child under section 3317.20 of the Revised Code.

When a school district places or has placed a child with a county MR/DD board for special education, but another district is responsible for tuition under section 3313.64 or 3313.65 of the Revised Code and the child is not a resident of the territory served by the county MR/DD board, the board may charge the district responsible for tuition with the educational costs in excess of the per pupil amount received by the board under Chapter 3317. of the Revised Code. The amount of the excess cost shall be determined by the formula established by rule of the department of education under section 3323.14 of the Revised Code, and the payment for such excess cost shall be made by the school district directly to the county MR/DD board.

A school district board of education and the county MR/DD board that serves the school district may negotiate and contract, at or after the time of placement, for payments by the board of education to the county MR/DD board for additional services provided to a child placed with the county MR/DD board and whose individualized education program established pursuant to section 3323.08 of the Revised Code requires additional services that are not routinely provided children in the county MR/DD board's program but are necessary to maintain the child's enrollment and participation in the program. Additional services may include, but are not limited to, specialized supplies and equipment for the benefit of the child and instruction, training, or assistance provided by staff members other than staff members for which funding is received under Chapter 3317. of the Revised Code.

Sec. 3323.143. If a ~~handicapped child's~~ child with a disability'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 with a disability 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. 3323.15. The state board of education may arrange to pay to any board of education, the board for any ~~handicapped~~ children with disabilities who are not residents of the district but for whom the district is providing special education. Payments shall be made in accordance with rules and standards of the state board of education.

Sec. 3323.17. The department of education shall:

(A) Provide supervision and technical assistance to school districts in all accepted methods of educating ~~handicapped~~ children with disabilities who ~~are deaf or hard of hearing~~ have hearing impairments, including the oral, manual, and total communication methods, with no demonstrable bias toward any one method over another;

(B) Consult with employees of school districts and chartered nonpublic schools who confer with the parents of ~~deaf or hard of hearing~~ ~~handicapped~~ impaired children about ~~such~~ their children's education;

(C) Consult with chartered nonpublic schools and consult with and provide technical assistance to school districts that are or may be interested in integrating sign language into their curricula and that offer or may be interested in offering American sign language as a foreign language;

(D) Consult with school districts and chartered nonpublic schools that use interpreters in classrooms and with any other interested school districts or chartered nonpublic schools about how to obtain the best interpreters and how interpreters can improve their skills.

Sec. 3323.18. If any special education program provided pursuant to this chapter or Chapter 3325. of the Revised Code serves a student with a visual ~~disability~~ impairment for whom instruction in braille reading and writing is specified as appropriate pursuant to division (A)(2) of section 3323.011 of the Revised Code, the entity providing the program shall integrate the use of braille reading and writing into the student's entire curriculum and other classroom activities in such a manner that braille reading and writing becomes an effective learning tool for the student.

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 with disabilities who received services for which the department made a payment to any provider during the previous fiscal year, disaggregated according to each area of developmental deficiency identified by the department for the evaluation of such children.

Sec. 3323.30. The Ohio center for autism and low incidence is hereby established within the department of education's office for exceptional children, or any successor of that office. The center shall administer programs and coordinate services for infants, preschool and school-age children, and adults with autism and low incidence disabilities. The center's principal focus shall be programs and services for persons with autism. The center shall be under the direction of an executive director, appointed by the superintendent of public instruction in consultation with the advisory board established under section 3323.31 of the Revised Code. The department shall use state and federal funds appropriated to the department for operation of the center.

As used in this section and in sections 3323.31 to 3323.33 of the Revised Code, "autism and low incidence disabilities" includes any of the following:

- (A) Autism;
- (B) ~~Deafness or hearing handicap~~ Hearing impairment;
- (C) ~~Multihandicap~~ Multiple disabilities;
- (D) Orthopedic ~~handicap~~ disability;
- (E) Other health ~~handicap~~ impairment;
- (F) Traumatic brain injury;
- (G) Visual ~~disability~~ impairment.

Sec. 3325.011. Subject to the regulations adopted by the state board of education, the state school for the deaf shall be open to receive persons who are deaf, partially deaf, and both blind and deaf residents of this state, who, in the judgment of the superintendent of public instruction and the superintendent of the school for the deaf, due to such ~~handicap~~ disability, cannot be educated in the public school system and are suitable persons to receive instructions according to the methods employed in such school. The superintendent of the school for the deaf may pay the expenses necessary for the instruction of children who are both blind and deaf, who are resident of this state, in any suitable institution.

Sec. 3325.02. Subject to the regulations adopted by the state board of education, the state school for the blind shall be open to receive such blind and partially blind persons, residents of this state, who, in the judgment of the superintendent of public instruction and the superintendent of the school

for the blind, due to such ~~handicap~~ disability, cannot be educated in the public school system and are suitable persons to receive instructions according to the methods employed in such school.

Sec. 3326.01. As used in this chapter, "STEM" is an abbreviation of "science, technology, engineering, and mathematics."

Sec. 3326.02. There is hereby established a STEM subcommittee of the partnership for continued learning consisting of the following members:

(A) The superintendent of public instruction;

(B) The chancellor of the Ohio board of regents;

(C) The director of development;

(D) Four members of the public, two of whom shall be appointed by the governor, one of whom shall be appointed by the speaker of the house of representatives, and one of whom shall be appointed by the president of the senate. Members of the public shall be appointed based on their expertise in business or in STEM fields and shall not be at-large members of the partnership for continued learning. The initial members of the subcommittee shall be appointed under division (D) of this section not later than forty-five days after the effective date of this section.

All members of the subcommittee appointed under division (D) of this section shall serve at the pleasure of their appointing authority.

Members of the subcommittee shall receive no compensation for their services.

Sec. 3326.03. (A) The STEM subcommittee shall authorize the establishment of and award grants to science, technology, engineering, and mathematics schools through a request for proposals.

The STEM subcommittee may approve up to five STEM schools to operate under this chapter in the school year that begins July 1, 2008. The limit prescribed in this paragraph does not affect the number of schools that may be approved for operation in subsequent school years.

No STEM school established under this chapter may open for instruction earlier than July 1, 2008.

The subcommittee shall determine the criteria for the proposals, accept and evaluate the proposals, and choose which proposals to approve to become a STEM school and to receive grants. In approving proposals for STEM schools, the subcommittee shall consider locating the schools in diverse geographic regions of the state so that all students have access to a STEM school.

(B) Proposals may be submitted only by a partnership of public and private entities consisting of at least all of the following:

(1) A city, exempted village, local, or joint vocational school district;

(2) Higher education entities;

(3) Business organizations.

(C) Each proposal shall include at least the following:

(1) Assurances that the STEM school will be under the oversight of a governing body and a description of the members of that governing body and how they will be selected;

(2) Assurances that the STEM school will operate in compliance with this chapter and the provisions of the proposal as accepted by the subcommittee;

(3) Evidence that the school will offer a rigorous, diverse, integrated, and project-based curriculum to students in any of grades six through twelve, with the goal to prepare those students for college, the workforce, and citizenship, and that does all of the following:

(a) Emphasizes the role of science, technology, engineering, and mathematics in promoting innovation and economic progress;

(b) Incorporates scientific inquiry and technological design;

(c) Includes the arts and humanities;

(d) Emphasizes personalized learning and teamwork skills.

(4) Evidence that the school will attract school leaders who support the curriculum principles of division (C)(3) of this section;

(5) A description of how the school's curriculum will be developed and approved in accordance with section 3326.09 of the Revised Code;

(6) Evidence that the school will utilize an established capacity to capture and share knowledge for best practices and innovative professional development;

(7) Evidence that the school will operate in collaboration with a partnership that includes institutions of higher education and businesses;

(8) Assurances that the school has received commitments of sustained and verifiable fiscal and in-kind support from regional education and business entities;

(9) A description of how the school's assets will be distributed if the school closes for any reason.

Sec. 3326.04. (A) The STEM subcommittee shall award grants to support the operation of STEM programs of excellence to serve students in any of grades kindergarten through eight through a request for proposals.

(B) Proposals may be submitted by any of the following:

(1) The board of education of a city, exempted village, or local school district;

(2) The governing authority of a community school established under Chapter 3314. of the Revised Code.

(C) Each proposal shall demonstrate to the satisfaction of the STEM subcommittee that the program meets at least the following standards:

(1) The program will serve all students enrolled in the district or school in the grades for which the program is designed.

(2) The program will offer a rigorous and diverse curriculum that is based on scientific inquiry and technological design, that emphasizes personalized learning and teamwork skills, and that will expose students to advanced scientific concepts within and outside the classroom.

(3) The program will not limit participation of students on the basis of intellectual ability, measures of achievement, or aptitude.

(4) The program will utilize an established capacity to capture and share knowledge for best practices and innovative professional development.

(5) The program will operate in collaboration with a partnership that includes institutions of higher education and businesses.

(6) The program will include teacher professional development strategies that are augmented by community and business partners.

(D) The STEM subcommittee shall give priority to proposals for new or expanding innovative programs.

Sec. 3326.05. The partnership for continued learning, through the STEM subcommittee, may make recommendations to the general assembly and the governor for the training of STEM educators.

Sec. 3326.06. The partnership for continued learning, through the STEM subcommittee, shall work with an Ohio-based nonprofit enterprise selected by the subcommittee to support the strategic and operational coordination of public and private STEM education initiatives and resources focused on curriculum development, instruction, assessment, teacher quality enhancement, leadership recruitment and training, and community engagement. The nonprofit enterprise selected by the STEM subcommittee shall have the proven ability to accumulate resources to enhance education quality across the educational continuum, from preschool to college, shall have experience in large-scale management of science and technology resources, and shall have a documented institutional mission to advance STEM education.

Sec. 3326.07. Each science, technology, engineering, and mathematics school established under this chapter is a public school, is part of the state's program of education, and may continue in operation for as long as the school is in compliance with the provisions of this chapter and with the proposal for its establishment as approved by the STEM subcommittee. If the school closes for any reason, its assets shall be distributed in the manner provided in the proposal for its establishment as required by division (C)(9)

of section 3326.03 of the Revised Code.

Sec. 3326.08. (A) The governing body of each science, technology, engineering, and mathematics school shall employ and fix the compensation for the administrative officers, teachers, and nonteaching employees of the STEM school necessary for the school to carry out its mission and shall oversee the operations of the school. The governing body of each STEM school shall employ a chief administrative officer to serve as the school's instructional and administrative leader. The chief administrative officer shall be granted the authority to oversee the recruitment, retention, and employment of teachers and nonteaching employees.

(B) The department of education shall monitor the oversight of each STEM school exercised by the school's governing body and shall monitor the school's compliance with this chapter and with the proposal for the establishment of the school as it was approved by the STEM subcommittee of the partnership for continued learning under section 3326.04 of the Revised Code. If the department finds that the school is not in compliance with this chapter or with the proposal, the department shall consult with the STEM subcommittee, and the subcommittee may order the school to close on the last day of the school year in which the subcommittee issues its order.

(C) The governing body of each STEM school shall comply with sections 121.22 and 149.43 of the Revised Code.

Sec. 3326.09. Subject to approval by its governing body, the curriculum of each science, technology, engineering, and mathematics school shall be developed by a team that consists of at least the school's chief administrative officer, a teacher, a representative of the higher education institution that is a collaborating partner in the school, described in the proposal for establishment of the school as required by division (C)(7) of section 3326.03 of the Revised Code, and a member of the public with expertise in the application of science, technology, engineering, or mathematics.

Sec. 3326.10. Each science, technology, engineering, and mathematics school shall adopt admission procedures that specify the following:

(A)(1) Admission shall be open to individuals entitled and eligible to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code in a school district in the state.

(2) Students who are not residents of Ohio shall not be permitted to enroll in a science, technology, engineering, and mathematics school.

(B) There will be no discrimination in the admission of students to the school on the basis of race, creed, color, disability, or sex.

(C) The school will comply with all federal and state laws regarding the education of students with disabilities.

(D) The school will not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, or athletic or artistic ability; the school will assert its best effort to attract a diverse student body that reflects the community; and the school will recruit students from disadvantaged and underrepresented groups.

Sec. 3326.11. Each science, technology, engineering, and mathematics school established under this chapter and its governing body shall comply with sections 9.90, 9.91, 109.65, 121.22, 149.43, 2151.357, 2151.421, 2313.18, 2921.42, 2921.43, 3301.0712, 3301.0714, 3301.0715, 3313.14, 3313.15, 3313.16, 3313.18, 3313.201, 3313.26, 3313.472, 3313.48, 3313.481, 3313.482, 3313.50, 3313.536, 3313.608, 3313.6012, 3313.6013, 3313.6014, 3313.61, 3313.611, 3313.614, 3313.615, 3313.643, 3313.648, 3313.66, 3313.661, 3313.662, 3313.666, 3313.667, 3313.67, 3313.671, 3313.672, 3313.673, 3313.69, 3313.71, 3313.716, 3313.718, 3313.80, 3313.801, 3313.96, 3319.073, 3319.21, 3319.313, 3319.314, 3319.315, 3319.32, 3319.321, 3319.35, 3319.39, 3319.45, 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 102., 117., 1347., 2744., 3307., 3309., 3365., 3742., 4112., 4123., 4141., and 4167. of the Revised Code as if it were a school district.

Sec. 3326.12. Each science, technology, engineering, and mathematics school and its governing body shall comply with Chapter 3323. of the Revised Code as if it were a school district. The school district in which a STEM school student is entitled to attend school and the student's school district of residence, if different, are not obligated to provide the student with a free appropriate public education under Chapter 3323. of the Revised Code for as long as the student attends a STEM school.

Sec. 3326.13. Teachers employed by a science, technology, engineering, and mathematics school shall be highly qualified teachers, as defined in section 3319.074 of the Revised Code, and shall be licensed under sections 3319.22 to 3319.31 of the Revised Code and rules of the state board of education implementing those sections.

Sec. 3326.14. Each science, technology, engineering, and mathematics school and its governing body shall administer the tests required by sections 3301.0710 and 3301.0711 of the Revised Code, as if it were a school district, except that, notwithstanding any provision of those sections to the contrary, any student enrolled in a grade lower than the tenth grade in a STEM school may take one or more of the Ohio graduation tests prescribed under division (B) of section 3301.0710 of the Revised Code on any of the dates prescribed in division (C)(3) of that section.

Sec. 3326.15. Each science, technology, engineering, and mathematics school and its governing body shall comply with section 3313.603 of the Revised Code as if it were a school district. However, a STEM school may permit a student to earn units of high school credit based on a demonstration of subject area competency instead of or in combination with completing hours of classroom instruction prior to the adoption by the state board of education of the plan for granting high school credit based on competency, as required by division (J) of that section. Upon adoption of the plan, each STEM school shall comply with that plan and award units of high school credit in accordance with the plan.

Sec. 3326.16. Each science, technology, engineering, and mathematics school and its governing body shall comply with all health and safety provisions of law applicable to school buildings.

Sec. 3326.17. (A) The department of education shall issue an annual report card for each science, technology, engineering, and mathematics school that includes all information applicable to school buildings under section 3302.03 of the Revised Code.

(B) For each student enrolled in a STEM school, the department shall combine data regarding the academic performance of that student with comparable data from the school district in which the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code for the purpose of calculating the performance of the district as a whole on the report card issued for the district under section 3302.03 of the Revised Code.

(C) Each STEM school and its governing body shall 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 school. However, the school shall not be required to take any action described in division (F) of that section.

Sec. 3326.18. (A) Except as provided under division (B) of this section, employees of a science, technology, engineering, and mathematics school may organize and collectively bargain pursuant to Chapter 4117. of the Revised Code. Notwithstanding division (D)(1) of section 4117.06 of the Revised Code, a unit containing teaching and nonteaching employees employed under this section shall be considered an appropriate unit.

(B) If a science, technology, engineering, and mathematics school is created by converting all or part of an existing school operated by a school district or an existing conversion community school established under Chapter 3314. of the Revised Code, at the time of conversion, the employees

assigned to the STEM school shall remain part of any collective bargaining unit in which they were included immediately prior to the conversion and shall remain subject to any collective bargaining agreement for that unit in effect on the first day of July of the year in which the STEM school initially begins operation and shall be subject to any subsequent collective bargaining agreement for that unit, unless a petition is certified as sufficient under division (E) of this section with regard to those employees. Any new employees assigned to the STEM school also shall be included in the unit to which they would have been assigned had the conversion not taken place and shall be subject to the collective bargaining agreement for that unit unless a petition is certified as sufficient under division (E) of this section with regard to those employees.

Notwithstanding division (B) of section 4117.01 of the Revised Code, the board of education of the school district that operated or sponsored the STEM school prior to conversion and not the STEM school shall be regarded, for purposes of Chapter 4117. of the Revised Code, as the "public employer" of the employees assigned to a conversion STEM school subject to a collective bargaining agreement pursuant to this division unless a petition is certified under division (E) of this section with regard to those employees. Only on and after the effective date of a petition certified as sufficient under division (E) of this section shall division (A) of this section apply to those employees and only on and after the effective date of that petition shall Chapter 4117. of the Revised Code apply to the school with regard to those employees.

(C) Notwithstanding sections 4117.03 to 4117.18 of the Revised Code and Section 4 of Amended Substitute Senate Bill No. 133 of the 115th general assembly, the employees assigned to a conversion STEM school who are subject to a collective bargaining agreement pursuant to division (B) of this section shall cease to be subject to that agreement and all subsequent agreements pursuant to that division and shall cease to be part of the collective bargaining unit that is subject to that and all subsequent agreements, if a majority of the employees assigned to the STEM school who are subject to that collective bargaining agreement sign and submit to the state employment relations board a petition requesting all of the following:

(1) That all the employees assigned to the STEM school who are subject to that agreement be removed from the bargaining unit that is subject to that agreement and be designated by the state employment relations board as a new and separate bargaining unit for purposes of Chapter 4117. of the Revised Code;

(2) That the employee organization certified as the exclusive representative of the employees of the bargaining unit from which the employees are to be removed be certified as the exclusive representative of the new and separate bargaining unit for purposes of Chapter 4117. of the Revised Code;

(3) That the STEM school be regarded as the "public employer" of those employees for purposes of Chapter 4117. of the Revised Code.

(D) Notwithstanding sections 4117.03 to 4117.18 of the Revised Code and Section 4 of Amended Substitute Senate Bill No. 133 of the 115th general assembly, the employees assigned to a conversion STEM school who are subject to a collective bargaining agreement pursuant to division (B) of this section shall cease to be subject to that agreement and all subsequent agreements pursuant to that division, shall cease to be part of the collective bargaining unit that is subject to that and all subsequent agreements, and shall cease to be represented by any exclusive representative of that collective bargaining unit, if a majority of the employees assigned to the STEM school who are subject to that collective bargaining agreement sign and submit to the state employment relations board a petition requesting all of the following:

(1) That all the employees assigned to the STEM school who are subject to that agreement be removed from the bargaining unit that is subject to that agreement;

(2) That any employee organization certified as the exclusive representative of the employees of that bargaining unit be decertified as the exclusive representative of the employees assigned to the STEM school who are subject to that agreement;

(3) That the STEM school be regarded as the "public employer" of those employees for purposes of Chapter 4117. of the Revised Code.

(E) Upon receipt of a petition under division (C) or (D) of this section, the state employment relations board shall check the sufficiency of the signatures on the petition. If the signatures are found sufficient, the board shall certify the sufficiency of the petition and so notify the parties involved, including the board of education of the school district that operated or sponsored the STEM school prior to conversion, the STEM school, and any exclusive representative of the bargaining unit. The changes requested in a certified petition shall take effect on the first day of the month immediately following the date on which the sufficiency of the petition is certified under this division.

Sec. 3326.19. The provisions of Chapter 124. of the Revised Code shall not apply to the employment of nonteaching employees by a science,

technology, engineering, and mathematics school.

Sec. 3326.20. (A) As used in this section, "native student" means a student entitled to attend school in the school district under section 3313.64 or 3313.65 of the Revised Code.

(B) Unless the proposal for the establishment of a science, technology, engineering, and mathematics school, as it was approved by the STEM subcommittee of the partnership for continued learning under section 3326.03 of the Revised Code, otherwise provides for the transportation of students to and from the STEM school, the board of education of each city, local, and exempted village school district shall provide transportation to and from school for its district's native students enrolled in the STEM school in the same manner that section 3327.01 of the Revised Code requires for its native students enrolled in nonpublic schools.

Sec. 3326.21. (A) Each science, technology, engineering, and mathematics school shall have a treasurer who is licensed under section 3301.074 of the Revised Code. The governing body of the school and the treasurer shall comply with sections 3301.072, 3313.22 to 3313.32, 3313.51, and 3315.08 of the Revised Code in the same manner as a school district board of education and a district treasurer.

(B) Financial records of each STEM school shall be maintained in the same manner as are financial records of school districts, pursuant to rules of the auditor of state.

Sec. 3326.22. Each science, technology, engineering, and mathematics school and its governing body shall enforce sections 3321.13, 3321.19, and 3321.191 of the Revised Code as if it were a school district with regard to students who are truant or otherwise absent from the school without legitimate excuse.

Sec. 3326.23. The governing body of each science, technology, engineering, and mathematics school annually shall provide the following assurances in writing to the department of education not later than ten business days prior to the opening of the school:

(A) That the school has a plan for providing special education and related services to students with disabilities and has demonstrated the capacity to provide those services in accordance with Chapter 3323. of the Revised Code and federal law;

(B) That the school has a plan and procedures for administering the achievement tests and diagnostic assessments prescribed by sections 3301.0710 and 3301.0715 of the Revised Code;

(C) That school personnel have the necessary training, knowledge, and resources to properly use and submit information to all databases maintained

by the department for the collection of education data, including the education management information system established under section 3301.0714 of the Revised Code;

(D) That all required information about the school has been submitted to the Ohio education directory system or any successor system;

(E) That all classroom teachers are licensed in accordance with sections 3319.22 to 3319.31 of the Revised Code or are engaged to teach pursuant to section 3319.301 of the Revised Code;

(F) That the school's treasurer is in compliance with section 3326.21 of the Revised Code;

(G) That the school has complied with section 3319.39 of the Revised Code with respect to all employees who are responsible for the care, custody, or control of a child and that the school has conducted a criminal records check of each of its governing body members;

(H) That the school holds all of the following:

(1) Proof of property ownership or a lease for the facilities used by the school;

(2) A certificate of occupancy;

(3) Liability insurance for the school, as required by section 3326.11 of the Revised Code;

(4) A satisfactory health and safety inspection;

(5) A satisfactory fire inspection;

(6) A valid food permit, if applicable.

(I) That the governing body has conducted a pre-opening site visit to the school for the school year for which the assurances are provided;

(J) That the school has designated a date it will open for the school year for which the assurances are provided;

(K) That the school has met all of the governing body's requirements for opening and any other requirements of the governing body.

Sec. 3326.31. As used in sections 3326.31 to 3326.50 of the Revised Code:

(A) "Applicable special education weight" means the multiple specified in section 3317.013 of the Revised Code for a disability described in that section.

(B) "Applicable vocational education weight" means the multiple specified in section 3317.014 of the Revised Code for vocational education programs or classes described in that section.

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

(D) "IEP" means an individualized education program as defined in

section 3323.01 of the Revised Code.

(E) A student is "included in the poverty student count of the student's resident district" if the student's family receives assistance under the Ohio works first program.

(F) "Resident district" means the school district in which a student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(G) "State education aid" has the same meaning as in section 5751.20 of the Revised Code.

Sec. 3326.32. Each science, technology, engineering, and mathematics school shall report to the department of education, in the form and manner required by the department, all of the following information:

(A) The total number of students enrolled in the school;

(B) The number of students who are receiving special education and related services pursuant to an IEP;

(C) For each student reported under division (B) of this section, which category specified in divisions (A) to (F) of section 3317.013 of the Revised Code applies to the student;

(D) The full-time equivalent number of students 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 STEM school;

(E) The resident district of each student;

(F) Any additional information the department determines necessary to make payments under this chapter.

Sec. 3326.33. For each student enrolled in a science, technology, engineering, and mathematics school established under this chapter, the department of education annually shall deduct from the state education aid of a student's resident school district and, if necessary, from the payment made to the district under sections 321.24 and 323.156 of the Revised Code and pay to the school the sum of the following:

(A) The sum of the formula amount 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.

(B) If the student is receiving special education and related services pursuant to an IEP, the product of the applicable special education weight times the formula amount;

(C) If the student is enrolled in vocational education programs or classes that are described in section 3317.014 of the Revised Code, are provided by the 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, the product of the applicable vocational education weight times the formula amount times the percentage of time the student spends in the vocational education programs or classes;

(D) If the student is included in the poverty student count of the student's resident district, the per pupil amount of the district's payment under division (C) of section 3317.029 of the Revised Code;

(E) If the student is identified as limited English proficient and the student's resident district receives a payment for services to limited English proficient students under division (F) of section 3317.029 of the Revised Code, the per pupil amount of the district's payment under that division, calculated in the same manner as per pupil payments are calculated under division (C)(6) of section 3314.08 of the Revised Code;

(F) If the student's resident district receives a payment under division (G), (H), or (I) of section 3317.029 of the Revised Code, the per pupil amount of the district's payments under each division, calculated in the same manner as per pupil payments are calculated under divisions (C)(7) and (8) of section 3314.08 of the Revised Code;

(G) If the student's resident district receives a parity aid payment under section 3317.0217 of the Revised Code, the per pupil amount calculated for the district under division (C) or (D) of that section.

Sec. 3326.34. If a science, technology, engineering, and mathematics school established under this chapter incurs costs for a fiscal year for a student receiving special education and related services pursuant to an IEP for a disability described in divisions (B) to (F) of section 3317.013 of the Revised Code that 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 STEM 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 of education shall pay to the school an amount equal to the school's costs for the student in excess of the threshold catastrophic costs.

The school shall only report under 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 IEP. 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.

Sec. 3326.35. The department of education shall adjust the amounts paid

under section 3326.33 of the Revised Code to reflect any enrollment of students in science, technology, engineering, and mathematics schools for less than the equivalent of a full school year.

Sec. 3326.36. The department of education shall reduce the amounts paid to a science, technology, engineering, and mathematics school under section 3326.33 of the Revised Code to reflect payments made to colleges under division (B) of section 3365.07 of the Revised Code. A student shall be considered enrolled in the school for any portion of the school year the student is attending a college under Chapter 3365. of the Revised Code.

Sec. 3326.37. The department of education shall not pay to a science, technology, engineering, and mathematics school any amount for any of the following:

(A) Any student who has graduated from the twelfth grade of a public or nonpublic school;

(B) Any student who is not a resident of the state;

(C) Any student who was enrolled in a STEM 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. The superintendent may grant a waiver only for good cause in accordance with rules adopted by the state board of education.

(D) 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 STEM 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 pay to the school any amount for that veteran.

Sec. 3326.38. A science, technology, engineering, and mathematics school may do all of the following:

(A) Apply to the department of education for gifted unit funding;

(B) Apply to any state or federal agency for grants that a school district or public school may receive under federal or state law or any appropriations act of the general assembly;

(C) Apply to any private entity or foundation for additional funds.

Sec. 3326.49. A science, technology, engineering, and mathematics

school may not levy taxes or issue bonds secured by tax revenues.

Sec. 3326.50. A science, technology, engineering, and mathematics school shall not charge tuition for any student enrolled in the school.

Sec. 3327.01. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section and sections 3327.011, 3327.012, and 3327.02 of the Revised Code do not apply to any joint vocational or cooperative education school district.

In all city, local, and exempted village school districts where resident school pupils in grades kindergarten through eight live more than two miles from the school for which the state board of education prescribes minimum standards pursuant to division (D) of section 3301.07 of the Revised Code and to which they are assigned by the board of education of the district of residence or to and from the nonpublic or community school which they attend the board of education shall provide transportation for such pupils to and from such school except as provided in section 3327.02 of the Revised Code.

In all city, local, and exempted village school districts where pupil transportation is required under a career-technical plan approved by the state board of education under section 3313.90 of the Revised Code, for any student attending a career-technical program operated by another school district, including a joint vocational school district, as prescribed under that section, the board of education of the student's district of residence shall provide transportation from the public high school operated by that district to which the student is assigned to the career-technical program.

In all city, local, and exempted village school districts the board may provide transportation for resident school pupils in grades nine through twelve to and from the high school to which they are assigned by the board of education of the district of residence or to and from the nonpublic or community high school which they attend for which the state board of education prescribes minimum standards pursuant to division (D) of section 3301.07 of the Revised Code.

A board of education shall not be required to transport elementary or high school pupils to and from a nonpublic or community school where such transportation would require more than thirty minutes of direct travel time as measured by school bus from the public school building to which the pupils would be assigned if attending the public school designated by the district of residence.

Where it is impractical to transport a pupil by school conveyance, a board of education may offer payment, in lieu of providing such transportation in accordance with section 3327.02 of the Revised Code.

In all city, local, and exempted village school districts the board shall provide transportation for all children who are so ~~crippled~~ disabled that they are unable to walk to and from the school for which the state board of education prescribes minimum standards pursuant to division (D) of section 3301.07 of the Revised Code and which they attend. In case of dispute whether the child is able to walk to and from the school, the health commissioner shall be the judge of such ability. In all city, exempted village, and local school districts the board shall provide transportation to and from school or special education classes for educable mentally retarded children in accordance with standards adopted by the state board of education.

When transportation of pupils is provided the conveyance shall be run on a time schedule that shall be adopted and put in force by the board not later than ten days after the beginning of the school term.

The cost of any transportation service authorized by this section shall be paid first out of federal funds, if any, available for the purpose of pupil transportation, and secondly out of state appropriations, in accordance with regulations adopted by the state board of education.

No transportation of any pupils shall be provided by any board of education to or from any school which in the selection of pupils, faculty members, or employees, practices discrimination against any person on the grounds of race, color, religion, or national origin.

Sec. 3327.05. (A) Except as provided in division (B) of this section, no board of education of any school district shall provide transportation for any pupil who is a school resident of another school district unless the pupil is enrolled pursuant to section 3313.98 of the Revised Code or the board of the other district has given its written consent thereto. If the board of any school district files with the state board of education a written complaint that transportation for resident pupils is being provided by the board of another school district contrary to this division, the state board of education shall make an investigation of such complaint. If the state board of education finds that transportation is being provided contrary to this section, it may withdraw from state funds due the offending district any part of the amount that has been approved for transportation pursuant to division (D) of section 3317.022 of the Revised Code.

(B) Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this division does not apply to any joint vocational or cooperative education school district.

A board of education may provide transportation to and from the nonpublic ~~high~~ school of attendance if both of the following apply:

(1) The parent, guardian, or other person in charge of the pupil agrees to pay the board for all costs incurred in providing the transportation that are not reimbursed pursuant to Chapter 3317. of the Revised Code;

(2) The pupil's school district of residence does not provide transportation for public school pupils of the same grade as the pupil being transported under this division, or that district is not required under section 3327.01 of the Revised Code to transport the pupil to and from the nonpublic school because the direct travel time to the nonpublic school is more than thirty minutes.

Upon receipt of the request to provide transportation, the board shall review the request and determine whether the board will accommodate the request. If the board agrees to transport the pupil, the board may transport the pupil to and from the nonpublic school and a collection point in the district, as determined by the board. If the board transports the pupil, the board may include the pupil in the district's transportation ADM reported to the department of education under section 3317.03 of the Revised Code and, accordingly, may receive a state payment under division (D) of section 3317.022 of the Revised Code for transporting the pupil.

If the board declines to transport the pupil, the board, in a written communication to the parent, guardian, or other person in charge of the pupil, shall state the reasons for declining the request.

Sec. 3327.16. Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to any joint vocational or cooperative education school district or its superintendent.

(A) The superintendent of each school district may establish a volunteer bus rider assistance program, under which qualified adults or responsible older pupils, as determined by the superintendent, may be authorized to ride on school buses with pupils during such periods of time that the buses are being used to transport pupils to and from schools. Volunteers shall not be compensated for their services, but older pupils may be excused early from school to participate in the program.

Volunteers may be assigned duties or responsibilities by the superintendent, including but not limited to, assisting younger pupils in embarking and disembarking from buses and in crossing streets where necessary to ensure the safety of the pupil, aiding the driver of the bus to maintain order on buses, assisting ~~handicapped~~ pupils with disabilities, and such other activities as the superintendent determines will aid in the safe and efficient transportation of pupils.

Volunteers serving under this section are not employees for purposes of

Chapter 4117. or 4123. of the Revised Code. Nothing in this section shall authorize a board of education to adversely affect the employment of any employee of the board.

(B) The board of education of each city, local, or exempted village school district shall present a program to all pupils in kindergarten through third grade who are offered school bus transportation and who have not previously attended such program. The program shall consist of instruction in bus rider behavior, school bus safety, and the potential problems and hazards associated with school bus ridership. The department of education shall prescribe the content and length of such program, which shall be presented within two weeks after the commencement of classes each school year.

Sec. 3327.17. The department of development shall establish a biodiesel school bus program under which the director of development shall make grants to school districts that use biodiesel fuel for pupil transportation to help offset incremental costs incurred by using biodiesel instead of one hundred per cent petroleum diesel.

As used in this section, "biodiesel" has the same meaning as in section 122.075 of the Revised Code.

Sec. 3333.04. The chancellor of the Ohio board of regents shall:

(A) Make studies of state policy in the field of higher education and formulate a master plan for higher education for the state, considering the needs of the people, the needs of the state, and the role of individual public and private institutions within the state in fulfilling these needs;

(B)(1) Report annually to the governor and the general assembly on the findings from the chancellor's studies and the master plan for higher education for the state;

(2) Report at least semiannually to the general assembly and the governor the enrollment numbers at each state-assisted institution of higher education.

(C) Approve or disapprove the establishment of new branches or academic centers of state colleges and universities;

(D) Approve or disapprove the establishment of state technical colleges or any other state institution of higher education;

(E) Recommend the nature of the programs, undergraduate, graduate, professional, state-financed research, and public services which should be offered by the state colleges, universities, and other state-assisted institutions of higher education in order to utilize to the best advantage their facilities and personnel;

(F) Recommend to the state colleges, universities, and other

state-assisted institutions of higher education graduate or professional programs, including, but not limited to, doctor of philosophy, doctor of education, and juris doctor programs, that could be eliminated because they constitute unnecessary duplication, as shall be determined using the process developed pursuant to this division, or for other good and sufficient cause. Prior to recommending a program for elimination, the chancellor shall request the board of regents to hold at least one public hearing on the matter and advise the chancellor on whether the program should be recommended for elimination. The board shall provide notice of each hearing within a reasonable amount of time prior to its scheduled date. Following the hearing, the board shall issue a recommendation to the chancellor. The chancellor shall consider the board's recommendation but shall not be required to accept it.

For purposes of determining the amounts of any state instructional subsidies paid to state colleges, universities, and other state-assisted institutions of higher education, the chancellor may exclude students enrolled in any program that the chancellor has recommended for elimination pursuant to this division except that the chancellor shall not exclude any such student who enrolled in the program prior to the date on which the chancellor initially commences to exclude students under this division.

The chancellor and state colleges, universities, and other state-assisted institutions of higher education shall jointly develop a process for determining which existing graduate or professional programs constitute unnecessary duplication.

(G) Recommend to the state colleges, universities, and other state-assisted institutions of higher education programs which should be added to their present programs;

(H) Conduct studies for the state colleges, universities, and other state-assisted institutions of higher education to assist them in making the best and most efficient use of their existing facilities and personnel;

(I) Make recommendations to the governor and general assembly concerning the development of state-financed capital plans for higher education; the establishment of new state colleges, universities, and other state-assisted institutions of higher education; and the establishment of new programs at the existing state colleges, universities, and other institutions of higher education;

(J) Review the appropriation requests of the public community colleges and the state colleges and universities and submit to the office of budget and management and to the chairpersons of the finance committees of the house

of representatives and of the senate the chancellor's recommendations in regard to the biennial higher education appropriation for the state, including appropriations for the individual state colleges and universities and public community colleges. For the purpose of determining the amounts of instructional subsidies to be paid to state-assisted colleges and universities, the chancellor shall define "full-time equivalent student" by program per academic year. The definition may take into account the establishment of minimum enrollment levels in technical education programs below which support allowances will not be paid. Except as otherwise provided in this section, the chancellor shall make no change in the definition of "full-time equivalent student" in effect on November 15, 1981, which would increase or decrease the number of subsidy-eligible full-time equivalent students, without first submitting a fiscal impact statement to the president of the senate, the speaker of the house of representatives, the legislative service commission, and the director of budget and management. The chancellor shall work in close cooperation with the director of budget and management in this respect and in all other matters concerning the expenditures of appropriated funds by state colleges, universities, and other institutions of higher education.

(K) Seek the cooperation and advice of the officers and trustees of both public and private colleges, universities, and other institutions of higher education in the state in performing the chancellor's duties and making the chancellor's plans, studies, and recommendations;

(L) Appoint advisory committees consisting of persons associated with public or private secondary schools, members of the state board of education, or personnel of the state department of education;

(M) Appoint advisory committees consisting of college and university personnel, or other persons knowledgeable in the field of higher education, or both, in order to obtain their advice and assistance in defining and suggesting solutions for the problems and needs of higher education in this state;

(N) Approve or disapprove all new degrees and new degree programs at all state colleges, universities, and other state-assisted institutions of higher education;

(O) Adopt such rules as are necessary to carry out the chancellor's duties and responsibilities. The rules shall prescribe procedures for the chancellor to follow when taking actions associated with the chancellor's duties and responsibilities and shall indicate which types of actions are subject to those procedures. The procedures adopted under this division shall be in addition to any other procedures prescribed by law for such actions. However, if any

other provision of the Revised Code or rule adopted by the chancellor prescribes different procedures for such an action, the procedures adopted under this division shall not apply to that action to the extent they conflict with the procedures otherwise prescribed by law. The procedures adopted under this division shall include at least the following:

- (1) Provision for public notice of the proposed action;
- (2) An opportunity for public comment on the proposed action, which may include a public hearing on the action by the board of regents;
- (3) Methods for parties that may be affected by the proposed action to submit comments during the public comment period;
- (4) Submission of recommendations from the board of regents regarding the proposed action, at the request of the chancellor;
- (5) Written publication of the final action taken by the chancellor and the chancellor's rationale for the action;
- (6) A timeline for the process described in divisions (O)(1) to (5) of this section.

(P) Establish and submit to the governor and the general assembly a clear and measurable set of goals and timetables for their achievement for each program under the chancellor's supervision that is designed to accomplish any of the following:

- (1) Increased access to higher education;
- (2) Job training;
- (3) Adult literacy;
- (4) Research;
- (5) Excellence in higher education;
- (6) Reduction in the number of graduate programs within the same subject area.

In July of each odd-numbered year, the chancellor shall submit to the governor and the general assembly a report on progress made toward these goals.

(Q) Make recommendations to the governor and the general assembly regarding the design and funding of the student financial aid programs specified in sections 3333.12, 3333.122, 3333.21 to 3333.27, and 5910.02 of the Revised Code;

(R) Participate in education-related state or federal programs on behalf of the state and assume responsibility for the administration of such programs in accordance with applicable state or federal law;

(S) Adopt rules for student financial aid programs as required by sections 3333.12, 3333.122, 3333.21 to 3333.27, 3333.28, ~~3333.29~~, and 5910.02 of the Revised Code, and perform any other administrative

functions assigned to the chancellor by those sections;

(T) Administer contracts under sections 3702.74 and 3702.75 of the Revised Code in accordance with rules adopted by the director of health under section 3702.79 of the Revised Code;

(U) Conduct enrollment audits of state-supported institutions of higher education;

(V) Appoint consortiums of college and university personnel to participate in the development and operation of statewide collaborative efforts, including the Ohio supercomputer center, the Ohio academic resources network, OhioLink, and the Ohio learning network. For each consortium, the chancellor shall designate a college or university to serve as that consortium's fiscal agent, financial officer, and employer. Any funds appropriated for the consortiums shall be distributed to the fiscal agents for the operation of the consortiums. A consortium shall follow the rules of the college or university that serves as its fiscal agent.

(W) Adopt rules establishing advisory duties and responsibilities of the board of regents not otherwise prescribed by law;

(X) Respond to requests for information about higher education from members of the general assembly and direct staff to conduct research or analysis as needed for this purpose.

Sec. 3333.122. (A) As used in this section:

(1) "Eligible student" means a student who is:

(a) An Ohio resident who first enrolls in an undergraduate program in the 2006-2007 academic year or thereafter;

(b) ~~Enrolled~~ If the student first enrolled in an undergraduate program in the 2006-2007 or 2007-2008 academic year, the student is enrolled in either of the following:

(i) An accredited institution of higher education in this state that meets the requirements of Title VI of the Civil Rights Act of 1964 and is state-assisted, is nonprofit and has a certificate of authorization pursuant to Chapter 1713. of the Revised Code, has a certificate of registration from the state board of career colleges and schools and program authorization to award an associate or bachelor's degree, or is a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code. Students who attend an institution that holds a certificate of registration shall be enrolled in a program leading to an associate or bachelor's degree for which associate or bachelor's degree program the institution has program authorization issued under section 3332.05 of the Revised Code.

(ii) A technical education program of at least two years duration

sponsored by a private institution of higher education in this state that meets the requirements of Title VI of the Civil Rights Act of 1964.

(c) If the student first enrolled in an undergraduate program after the 2007-2008 academic year, the student is enrolled in either of the following:

(i) An accredited institution of higher education in this state that meets the requirements of Title VI of the Civil Rights Act of 1964 and is state-assisted, is nonprofit and has a certificate of authorization pursuant to Chapter 1713. of the Revised Code, or is a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code;

(ii) An education program of at least two years duration sponsored by a private institution of higher education in this state that meets the requirements of Title VI of the Civil Rights Act of 1964 and has a certificate of authorization pursuant to Chapter 1713. of the Revised Code.

(2) A student who participated in either the early college high school program administered by the department of education or in the post-secondary enrollment options program pursuant to Chapter 3365. of the Revised Code before the 2006-2007 academic year shall not be excluded from eligibility for a needs-based financial aid grant under this section.

(3) "Resident," "expected family contribution" or "EFC," "full-time student," "three-quarters-time student," "half-time student," "one-quarter-time student," and "accredited" shall be defined by rules adopted by the chancellor of the Ohio board of regents.

(B) The chancellor shall establish and administer a needs-based financial aid program based on the United States department of education's method of determining financial need and may adopt rules to carry out this section. The program shall be known as the Ohio college opportunity grant program. The general assembly shall support the needs-based financial aid program by such sums and in such manner as it may provide, but the chancellor may also receive funds from other sources to support the program. If the amounts available for support of the program are inadequate to provide grants to all eligible students, preference in the payment of grants shall be given in terms of expected family contribution, beginning with the lowest expected family contribution category and proceeding upward by category to the highest expected family contribution category.

A needs-based financial aid grant shall be paid to an eligible student through the institution in which the student is enrolled, except that no needs-based financial aid grant shall be paid to any person serving a term of imprisonment. Applications for such grants shall be made as prescribed by the chancellor, and such applications may be made in conjunction with and

upon the basis of information provided in conjunction with student assistance programs funded by agencies of the United States government or from financial resources of the institution of higher education. The institution shall certify that the student applicant meets the requirements set forth in divisions (A)(1)(a) and (b) of this section. Needs-based financial aid grants shall be provided to an eligible student only as long as the student is making appropriate progress toward a nursing diploma or an associate or bachelor's degree. No student shall be eligible to receive a grant for more than ten semesters, fifteen quarters, or the equivalent of five academic years. A grant made to an eligible student on the basis of less than full-time enrollment shall be based on the number of credit hours for which the student is enrolled and shall be computed in accordance with a formula adopted by the chancellor. No student shall receive more than one grant on the basis of less than full-time enrollment.

A needs-based financial aid grant shall not exceed the total instructional and general charges of the institution.

(C) The tables in this division prescribe the maximum grant amounts covering two semesters, three quarters, or a comparable portion of one academic year. Grant amounts for additional terms in the same academic year shall be determined under division (D) of this section.

As used in the tables in division (C) of this section:

(1) "Private institution" means an institution that is nonprofit and has a certificate of authorization pursuant to Chapter 1713. of the Revised Code.

(2) "Career college" means either an institution that holds a certificate of registration from the state board of career colleges and schools or a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code.

Full-time students shall be eligible to receive awards according to the following table:

Full-Time Enrollment				
If the EFC is equal to or greater than:	And if the EFC is no more than:	If the student attends a public institution, the annual award shall be:	If the student attends a private institution, the annual award shall be:	If the student attends a career college, the annual award shall be:
\$2,101	\$2,190	\$300	\$600	\$480
2,001	2,100	402	798	642

1,901	2,000	498	1,002	798
1,801	1,900	600	1,200	960
1,701	1,800	702	1,398	1,122
1,601	1,700	798	1,602	1,278
1,501	1,600	900	1,800	1,440
1,401	1,500	1,002	1,998	1,602
1,301	1,400	1,098	2,202	1,758
1,201	1,300	1,200	2,400	1,920
1,101	1,200	1,302	2,598	2,082
1,001	1,100	1,398	2,802	2,238
901	1,000	1,500	3,000	2,400
801	900	1,602	3,198	2,562
701	800	1,698	3,402	2,718
601	700	1,800	3,600	2,880
501	600	1,902	3,798	3,042
401	500	1,998	4,002	3,198
301	400	2,100	4,200	3,360
201	300	2,202	4,398	3,522
101	200	2,298	4,602	3,678
1	100	2,400	4,800	3,840
0	0	2,496	4,992	3,996

Three-quarters-time students shall be eligible to receive awards according to the following table:

Three-Quarters-Time Enrollment				
If the EFC is equal to or greater than:	And the EFC is no more than:	If the student attends a public institution, the annual award shall be:	If the student attends a private institution, the annual award shall be:	If the student attends a career college, the annual award shall be:
\$2,101	\$2,190	\$228	\$450	\$360
2,001	2,100	300	600	480
1,901	2,000	372	750	600
1,801	1,900	450	900	720
1,701	1,800	528	1,050	840
1,601	1,700	600	1,200	960
1,501	1,600	678	1,350	1,080
1,401	1,500	750	1,500	1,200

1,301	1,400	822	1,650	1,320
1,201	1,300	900	1,800	1,440
1,101	1,200	978	1,950	1,560
1,001	1,100	1,050	2,100	1,680
901	1,000	1,128	2,250	1,800
801	900	1,200	2,400	1,920
701	800	1,272	2,550	2,040
601	700	1,350	2,700	2,160
501	600	1,428	2,850	2,280
401	500	1,500	3,000	2,400
301	400	1,578	3,150	2,520
201	300	1,650	3,300	2,640
101	200	1,722	3,450	2,760
1	100	1,800	3,600	2,880
0	0	1,872	3,744	3,000

Half-time students shall be eligible to receive awards according to the following table:

Half-Time Enrollment

If the EFC is equal to or greater than:	And if the EFC is no more than:	If the student attends a public institution, the annual award shall be:	If the student attends a private institution, the annual award shall be:	If the student attends a career college, the annual award shall be:
\$2,101	\$2,190	\$150	\$300	\$240
2,001	2,100	204	402	324
1,901	2,000	252	504	402
1,801	1,900	300	600	480
1,701	1,800	354	702	564
1,601	1,700	402	804	642
1,501	1,600	450	900	720
1,401	1,500	504	1,002	804
1,301	1,400	552	1,104	882
1,201	1,300	600	1,200	960
1,101	1,200	654	1,302	1,044
1,001	1,100	702	1,404	1,122
901	1,000	750	1,500	1,200
801	900	804	1,602	1,284

701	800	852	1,704	1,362
601	700	900	1,800	1,440
501	600	954	1,902	1,524
401	500	1,002	2,004	1,602
301	400	1,050	2,100	1,680
201	300	1,104	2,202	1,764
101	200	1,152	2,304	1,842
1	100	1,200	2,400	1,920
0	0	1,248	2,496	1,998

One-quarter-time students shall be eligible to receive awards according to the following table:

One-Quarter-Time Enrollment

If the EFC is equal to or greater than:	And if the EFC is no more than:	If the student attends a public institution, the annual award shall be:	If the student attends a private institution, the annual award shall be:	If the student attends a career college, the annual award shall be:
\$2,101	\$2,190	\$78	\$150	\$120
2,001	2,100	102	198	162
1,901	2,000	126	252	198
1,801	1,900	150	300	240
1,701	1,800	174	348	282
1,601	1,700	198	402	318
1,501	1,600	228	450	360
1,401	1,500	252	498	402
1,301	1,400	276	552	438
1,201	1,300	300	600	480
1,101	1,200	324	648	522
1,001	1,100	348	702	558
901	1,000	378	750	600
801	900	402	798	642
701	800	426	852	678
601	700	450	900	720
501	600	474	948	762
401	500	498	1,002	798
301	400	528	1,050	840
201	300	552	1,098	882

101	200	576	1,152	918
1	100	600	1,200	960
0	0	624	1,248	1,002

(D) For a full-time student enrolled in an eligible institution for a semester or quarter in addition to the portion of the academic year covered by a grant determined under division (C) of this section, the maximum grant amount shall be a percentage of the maximum prescribed in the applicable table of that division. The maximum grant for a fourth quarter shall be one-third of the maximum amount prescribed under that division. The maximum grant for a third semester shall be one-half of the maximum amount prescribed under that division.

(E) No grant shall be made to any student in a course of study in theology, religion, or other field of preparation for a religious profession unless such course of study leads to an accredited bachelor of arts, bachelor of science, associate of arts, or associate of science degree.

(F)(1) Except as provided in division (F)(2) of this section, no grant shall be made to any student for enrollment during a fiscal year in an institution with a cohort default rate determined by the United States secretary of education pursuant to the "Higher Education Amendments of 1986," 100 Stat. 1278, 1408, 20 U.S.C.A. 1085, as amended, as of the fifteenth day of June preceding the fiscal year, equal to or greater than thirty per cent for each of the preceding two fiscal years.

(2) Division (F)(1) of this section does not apply to the following:

(a) Any student enrolled in an institution that under the federal law appeals its loss of eligibility for federal financial aid and the United States secretary of education determines its cohort default rate after recalculation is lower than the rate specified in division (F)(1) of this section or the secretary determines due to mitigating circumstances the institution may continue to participate in federal financial aid programs. The chancellor shall adopt rules requiring institutions to provide information regarding an appeal to the chancellor.

(b) Any student who has previously received a grant under this section who meets all other requirements of this section.

(3) The chancellor shall adopt rules for the notification of all institutions whose students will be ineligible to participate in the grant program pursuant to division (F)(1) of this section.

(4) A student's attendance at an institution whose students lose eligibility for grants under division (F)(1) of this section shall not affect that student's eligibility to receive a grant when enrolled in another institution.

(G) Institutions of higher education that enroll students receiving

needs-based financial aid grants under this section shall report to the chancellor all students who have received needs-based financial aid grants but are no longer eligible for all or part of such grants and shall refund any moneys due the state within thirty days after the beginning of the quarter or term immediately following the quarter or term in which the student was no longer eligible to receive all or part of the student's grant. There shall be an interest charge of one per cent per month on all moneys due and payable after such thirty-day period. The chancellor shall immediately notify the office of budget and management and the legislative service commission of all refunds so received.

Sec. 3333.36. ~~Provided~~ If the chancellor determines that sufficient ~~unencumbered and unexpended~~ funds are available from general revenue fund appropriations made to the Ohio board of regents or to the chancellor of the Ohio board of regents, the chancellor shall allocate ~~up~~ the following:

(A) Up to seventy thousand dollars in each fiscal year to make payments to the Columbus program in intergovernmental issues, an Ohio internship program at Kent state university, for scholarships of up to two thousand dollars for each student enrolled in the program. ~~The~~

(B) Up to one hundred sixty-five thousand dollars in each fiscal year to make payments to the Washington center for scholarships provided to undergraduates of Ohio's four-year public and private institutions of higher education selected to participate in the Washington center internship program. The amount of a student's scholarship shall not exceed the amount specified for such scholarships in the biennial operating appropriations act.

The chancellor may utilize any general revenue funds appropriated to the board of regents or to the chancellor that the chancellor determines to be available for purposes of this section.

Sec. 3333.38. (A) As used in this section:

(1) "Institution of higher education" includes all of the following:

(a) A state institution of higher education, as defined in section 3345.011 of the Revised Code;

(b) A nonprofit institution issued a certificate of authorization under Chapter 1713. of the Revised Code;

(c) A private institution exempt from regulation under Chapter 3332. of the Revised Code, as prescribed in section 3333.046 of the Revised Code;

(d) An institution of higher education with a certificate of registration from the state board of career colleges and schools under Chapter 3332. of the Revised Code.

(2) "Student financial assistance supported by state funds" includes assistance granted under sections 3315.33, 3333.12, 3333.122, 3333.21,

3333.26, 3333.27, 3333.28, ~~3333.29~~, 3333.372, 5910.03, 5910.032, and 5919.34 of the Revised Code or financed by an award under the choose Ohio first scholarship program established under section 3333.61 of the Revised Code and any other post-secondary student financial assistance supported by state funds.

(B) An individual who is convicted of, pleads guilty to, or is adjudicated a delinquent child for one of the following violations shall be ineligible to receive any student financial assistance supported by state funds at an institution of higher education for two calendar years from the time the individual applies for assistance of that nature:

(1) A violation of section 2917.02 or 2917.03 of the Revised Code;

(2) A violation of section 2917.04 of the Revised Code that is a misdemeanor of the fourth degree;

(3) A violation of section 2917.13 of the Revised Code that is a misdemeanor of the fourth or first degree and occurs within the proximate area where four or more others are acting in a course of conduct in violation of section 2917.11 of the Revised Code.

(C) If an individual is convicted of, pleads guilty to, or is adjudicated a delinquent child for committing a violation of section 2917.02 or 2917.03 of the Revised Code, and if the individual is enrolled in a state-supported institution of higher education, the institution in which the individual is enrolled shall immediately dismiss the individual. No state-supported institution of higher education shall admit an individual of that nature for one academic year after the individual applies for admission to a state-supported institution of higher education. This division does not limit or affect the ability of a state-supported institution of higher education to suspend or otherwise discipline its students.

Sec. 3333.50. The Ohio board of regents, in consultation with the governor and the department of development, shall develop a critical needs rapid response system to respond quickly to critical workforce shortages in the state. Not later than ninety days after a critical workforce shortage is identified, the chancellor of the board shall submit to the governor a proposal for addressing the shortage through initiatives of the board or institutions of higher education.

Sec. 3333.55. (A) The health information and imaging technology workforce development pilot project is hereby established. Under the project, in fiscal years 2008 through 2010, the Ohio board of regents shall design and implement a three-year pilot program to test, in the vicinity of Clark, Greene, and Montgomery counties, how a P-16 public-private education and workforce development collaborative may address each of the

following goals:

(1) Increase the number of students taking and mastering high-level science, technology, engineering, or mathematics courses and pursuing careers in those subjects, in all demographic regions of the state;

(2) Increase the number of students pursuing professional careers in health information and imaging technology upon receiving related technical education and professional experience, in all demographic regions of the state;

(3) Unify efforts among schools, career centers, post-secondary programs, and employers in a region for career and workforce development, preservation, and public education.

(B) The project shall focus on enhancing P-16 education and workforce development in the field of health information and imaging technology through such activities as increased academic intervention in related areas of study, after-school and summer intervention programs, tutoring, career and job fairs and other promotional and recruitment activities, externships, professional development, field trips, academic competitions, development of related specialized study modules, development of honors programs, and development and enhancement of dual high school and college enrollment programs.

(C) Project participants shall include Clark-Shawnee local school district, Springfield city school district, Greene county career center, Clark state community college, Central state university, Wright state university, Cedarville university, Wittenberg university, the university of Dayton, and private employers in the health information and imaging technology industry in the vicinity of Clark, Greene, and Montgomery counties, selected by the board of regents.

For the third year of the project, the board of regents may add as participants the Dayton city school district and Xenia city school district.

(D) Wittenberg university shall be the lead coordinating agent and Clark state community college shall be the fiscal agent for the project.

(E) The board of regents shall create an advisory council made up of representatives of the participating entities to coordinate, monitor, and evaluate the project. The advisory council shall submit an annual activity report to the board of regents by a date specified by the board of regents.

Sec. 3333.60. As used in sections 3333.61 to 3333.70 of the Revised Code:

(A) "State university or college" has the same meaning as in section 3345.12 of the Revised Code.

(B) "State university" and "state institution of higher education" have

the same meanings as in section 3345.011 of the Revised Code.

Sec. 3333.61. The chancellor of the Ohio board of regents shall establish and administer the Ohio innovation partnership, which shall consist of the choose Ohio first scholarship program and the Ohio research scholars program. Under the programs, the chancellor, subject to approval by the controlling board, shall make awards to state universities or colleges for programs and initiatives that recruit students and scientists in the fields of science, technology, engineering, mathematics, and medicine to state universities or colleges, in order to enhance regional educational and economic strengths and meet the needs of the state's regional economies. Awards may be granted for programs and initiatives to be implemented by a state university or college alone or in collaboration with other state institutions of higher education, nonpublic Ohio universities and colleges, or other public or private Ohio entities. If the chancellor makes an award to a program or initiative that is intended to be implemented by a state university or college in collaboration with other state institutions of higher education or nonpublic Ohio universities or colleges, the chancellor may provide that some portion of the award be received directly by the collaborating universities or colleges consistent with all terms of the Ohio innovation partnership.

The choose Ohio first scholarship program shall assign a number of scholarships to state universities and colleges to recruit Ohio residents as undergraduate, or as provided in section 3333.66 of the Revised Code graduate, students in the fields of science, technology, engineering, mathematics, and medicine, or in science, technology, engineering, mathematics, or medical education. Choose Ohio first scholarships shall be awarded to each participating eligible student as a grant to the state university or college the student is attending and shall be reflected on the student's tuition bill. Choose Ohio first scholarships are student-centered grants from the state to students to use to attend a university or college and are not grants from the state to universities or colleges.

Notwithstanding any other provision of this section or sections 3333.62 to 3333.70 of the Revised Code, a nonpublic four-year Ohio institution of higher education may submit a proposal for choose Ohio first scholarships if the proposal is to be implemented in collaboration with a state university or college. If the chancellor grants a nonpublic institution an award of scholarships, the nonpublic institution shall comply with all requirements of this section, sections 3333.62 to 3333.70 of the Revised Code, and the rules adopted under this section that apply to state universities or colleges awarded choose Ohio first scholarships.

The Ohio research scholars program shall award grants to use in recruiting scientists to the faculties of state universities or colleges.

The chancellor shall adopt rules in accordance with Chapter 119. of the Revised Code to administer the programs.

Sec. 3333.62. The chancellor of the Ohio board of regents shall establish a competitive process for making awards under the choose Ohio first scholarship program and the Ohio research scholars program. The chancellor, on completion of that process, shall make a recommendation to the controlling board asking for approval of each award selected by the chancellor.

Any state university or college may apply for one or more awards under one or both programs. The state university or college shall submit a proposal and other documentation required by the chancellor, in the form and manner prescribed by the chancellor, for each award it seeks. A proposal may propose an initiative to be implemented solely by the state university or college or in collaboration with other state institutions of higher education, nonpublic Ohio universities or colleges, or other public or nonpublic Ohio entities. A single proposal may seek an award under one or both programs.

The chancellor shall determine which proposals will receive awards each fiscal year, and the amount of each award, on the basis of the merit of each proposal, which the chancellor, subject to approval by the controlling board, shall determine based on one or more of the following criteria:

(A) The quality of the program that is the subject of the proposal and the extent to which additional resources will enhance its quality;

(B) The extent to which the proposal is integrated with the strengths of the regional economy;

(C) The extent to which the proposal is integrated with centers of research excellence within the private sector;

(D) The amount of other institutional, public, or private resources, whether monetary or nonmonetary, that the proposal pledges to leverage;

(E) The extent to which the proposal is collaborative with other public or nonpublic Ohio institutions of higher education;

(F) The extent to which the proposal is integrated with the university's or college's mission and does not displace existing resources already committed to the mission;

(G) The extent to which the proposal facilitates a more efficient utilization of existing faculty and programs;

(H) The extent to which the proposal meets a statewide educational need;

(I) The demonstrated productivity or future capacity of the students or

scientists to be recruited;

(J) The extent to which the proposal will create additional capacity in educational or economic areas of need;

(K) The extent to which the proposal will encourage students who received degrees in the fields of science, technology, engineering, mathematics, or medicine from two-year institutions to transfer to state universities or colleges to pursue baccalaureate degrees in science, technology, engineering, mathematics, or medicine;

(L) The extent to which the proposal encourages students enrolled in state universities to transfer into science, technology, engineering, mathematics, or medicine programs;

(M) The extent to which the proposal facilitates the completion of a baccalaureate degree in a cost-effective manner, for example, by facilitating students' completing two years at a two-year institution and two years at a state university or college;

(N) The extent to which the proposal allows attendance at a state university or college of students who otherwise could not afford to attend;

(O) The extent to which other institutional, public, or private resources pledged to the proposal will be deployed to assist in sustaining students' scholarships over their academic careers;

(P) The extent to which the proposal increases the likelihood that students will successfully complete their degree programs in science, technology, engineering, mathematics, or medicine or in science, technology, engineering, mathematics, or medical education;

(Q) The extent to which the proposal ensures that a student who is awarded a scholarship is appropriately qualified and prepared to successfully complete a degree program in science, technology, engineering, mathematics, or medicine or in science, technology, engineering, mathematics, or medical education.

Sec. 3333.63. The chancellor of the Ohio board of regents shall conduct at least one public meeting annually, prior to deciding awards under the Ohio innovation partnership. At the meeting, an employee of the chancellor shall summarize the proposals submitted for consideration, and each state university or college that has a proposal pending shall have the opportunity to review the summary of their proposal prepared by the chancellor's staff and answer questions or respond to concerns about the proposal raised by the chancellor's staff.

Sec. 3333.64. The chancellor of the Ohio board of regents shall endeavor to make awards under the choose Ohio first scholarship program and the Ohio research scholars program such that the aggregate, statewide

amount of other institutional, public, and private money pledged to the proposals in each fiscal year equals at least one hundred per cent of the aggregate amount of the money awarded under both programs that year. The chancellor shall endeavor to make awards under the choose Ohio first scholarship program in such a way that at least fifty per cent of the students receiving the scholarships are involved in a co-op or internship program in a private industry or a university laboratory. The value of institutional, public, or private industry co-ops and internships shall count toward the statewide aggregate amount of other institutional, public, or private money specified in this paragraph.

The chancellor also shall endeavor to distribute awards in such a way that all regions of the state benefit from the economic development impact of the programs and shall guarantee that students from all regions of the state are able to participate in the scholarship program.

Sec. 3333.65. The chancellor of the Ohio board of regents shall require each state university or college that the controlling board approves to receive an award under the Ohio innovation partnership to enter into an agreement governing the use of the award. The agreement shall contain terms the chancellor determines to be necessary, which shall include performance measures, reporting requirements, and an obligation to fulfill pledges of other institutional, public, or nonpublic resources for the proposal.

The chancellor may require a state university or college that violates the terms of its agreement to repay the award plus interest at the rate required by section 5703.47 of the Revised Code to the chancellor.

If the chancellor makes an award to a program or initiative that is intended to be implemented by a state university or college in collaboration with other state institutions of higher education or nonpublic Ohio universities or colleges, the chancellor may enter into an agreement with the collaborating universities or colleges that permits awards to be received directly by the collaborating universities or colleges consistent with the terms of the program or initiative. In that case, the chancellor shall incorporate into the agreement terms consistent with the requirements of this section.

Sec. 3333.66. (A) In each academic year, no student who receives a choose Ohio first scholarship shall receive less than one thousand five hundred dollars or more than one-half of the highest in-state undergraduate instructional and general fees charged by all state universities. For this purpose, if Miami university is implementing the pilot tuition restructuring plan originally recognized in Am. Sub. H.B. 95 of the 125th general

assembly, that university's instructional and general fees shall be considered to be the average full-time in-state undergraduate instructional and general fee amount after taking into account the Ohio resident and Ohio leader scholarships and any other credit provided to all Ohio residents.

(B) The chancellor of the Ohio board of regents shall encourage state universities and colleges, alone or in collaboration with other state institutions of higher education, nonpublic Ohio universities and colleges, or other public or private Ohio entities, to submit proposals under the choose Ohio first scholarship program for initiatives that recruit Ohio residents enrolled in colleges and universities in other states or other countries to return to Ohio and enroll in state universities or colleges as graduate students in the fields of science, technology, engineering, mathematics, and medicine, or in the fields of science, technology, engineering, mathematics, or medical education. If such proposals are submitted and meet the chancellor's competitive criteria for awards, the chancellor, subject to approval by the controlling board, shall give at least one of the proposals preference for an award.

(C) The general assembly intends that money appropriated for the choose Ohio first scholarship program in each fiscal year be used for scholarships in the following academic year.

Sec. 3333.67. Each state university or college that receives an award under the Ohio research scholars program shall deposit the amount it receives into a new or existing endowment fund. The university or college shall maintain the amount received and use income generated from that amount, and other institutional, public, or nonpublic resources, to finance the proposal approved by the chancellor of the Ohio board of regents and the controlling board.

Sec. 3333.68. When making an award under the Ohio innovation partnership, the chancellor of the Ohio board of regents, subject to approval by the controlling board, may commit to giving a state university's or college's proposal preference for future awards after the current fiscal year or fiscal biennium. A proposal's eligibility for future awards remains conditional on all of the following:

(A) Future appropriations of the general assembly;

(B) The university's or college's adherence to the agreement entered into under section 3333.65 of the Revised Code, including its fulfillment of pledges of other institutional, public, or nonpublic resources;

(C) With respect to the choose Ohio first scholarship program, a demonstration that the students receiving the scholarship are satisfied with the state universities or colleges selected by the chancellor to offer the

scholarships.

The chancellor and the controlling board shall not commit to awarding any proposal for more than five fiscal years at a time. However, when a commitment for future awards expires, a state university or college may reapply.

Sec. 3333.69. The chancellor of the Ohio board of regents shall monitor each initiative for which an award is granted under the Ohio innovation partnership to ensure the following:

(A) Fiscal accountability, so that the award is used in accordance with the agreement entered into under section 3333.65 of the Revised Code;

(B) Operating progress, so that the initiative is managed to achieve the goals stated in the proposal and in the agreement, and so that problems may be promptly identified and remedied;

(C) Desired outcomes, so that the initiative contributes to the programs' goals of enhancing regional educational and economic strengths and meeting regional economic needs.

Sec. 3333.70. Not later than December 31, 2008, and the thirty-first day of December of each year thereafter, the chancellor of the Ohio board of regents shall submit to the general assembly in accordance with section 101.68 of the Revised Code a report on the academic and economic impact of the Ohio innovation partnership. At a minimum, the report shall include the following:

(A) Progress and performance metrics for each initiative that received an award in the previous fiscal year;

(B) Economic indicators of the impact of each initiative, and all initiatives as a whole, on the regional economies and the statewide economy;

(C) The chancellor's strategy in assigning choose Ohio first scholarships among state universities and colleges and how the actual awards fit that strategy.

Sec. 3345.02. As used in this section, "state institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.

Beginning in the 2008-2009 academic year, each state institution of higher education shall include in each statement of estimated or actual charges owed by a student enrolled in the institution an itemized list of the instructional fees, general fees, special purpose fees, service charges, fines, and any other fees or surcharges applicable to the student.

Sec. 3345.05. (A) All registration fees, nonresident tuition fees, academic fees for the support of off-campus instruction, laboratory and

course fees when so assessed and collected, student health fees for the support of a student health service, all other fees, deposits, charges, receipts, and income from all or part of the students, all subsidy or other payments from state appropriations, and all other fees, deposits, charges, receipts, ~~and income, and revenue~~ received by each ~~state-supported university and college~~ state institution of higher education, the Ohio state university hospitals and their ancillary facilities, the Ohio agricultural research and development center, and the Ohio state university cooperative extension service shall be held and administered by the respective boards of trustees of the ~~state-supported universities and colleges~~ state institution of higher education; provided, that such fees, deposits, charges, receipts, ~~and income and revenue~~, to the extent required by resolutions, trust agreements, indentures, leases, and agreements adopted, made, or entered into under Chapter 154. or section 3345.07, 3345.11, or 3345.12 of the Revised Code, shall be held, administered, transferred, and applied in accordance therewith.

(B) The Ohio board of regents shall require annual reporting by the Ohio agricultural research and development center and by each university and college receiving state aid in such form and detail as determined by the board in consultation with such center, universities and colleges, and the director of budget and management.

(C) Notwithstanding any provision of the Revised Code to the contrary, the title to investments made by the board of trustees of a ~~state-supported university or college~~ state institution of higher education with funds derived from ~~revenues~~ any of the sources described in division (A) of this section shall not be vested in the state or the political subdivision but shall be held in trust by the board. Such investments shall be made pursuant to an investment policy adopted by the board in public session that requires all fiduciaries to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The policy also shall require at least the following:

(1) A stipulation that investment ~~be made only in publicly traded securities averaging~~ of at least twenty-five per cent of the average amount of the investment portfolio over the course of the previous fiscal year be invested 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;

(2) Eligible funds above those that meet the conditions of division (C)(1) of this section may be pooled with other institutional funds and invested in accordance with section 1715.54 of the Revised Code.

(3) The establishment of an investment committee.

(D) The investment committee established under division (C)~~(2)~~(3) of this section shall meet at least quarterly. The committee shall review and recommend revisions to the board's investment policy and shall advise the board on its investments made under division (C) of this section in an effort to assist it in meeting its obligations as a fiduciary as described in division (C) of this section. The committee shall be authorized to retain the services of an investment advisor who meets both of the following qualifications:

(1) The advisor is either:

(a) Licensed by the division of securities under section 1707.141 of the Revised Code;

(b) Registered with the securities and exchange commission.

(2) The advisor either:

(a) Has experience in the management of investments of public funds, especially in the investment of state-government investment portfolios;

(b) Is an eligible institution referenced in section 135.03 of the Revised Code.

(E) As used in this section, "state institution of higher education" means a state institution of higher education as defined in section 3345.011 of the Revised Code.

Sec. 3345.32. (A) As used in this section:

(1) "State university or college" means the institutions described in section 3345.27 of the Revised Code and the northeastern Ohio universities college of medicine.

(2) "Resident" has the meaning specified by rule of the chancellor of the Ohio board of regents.

(3) "Statement of selective service status" means a statement certifying one of the following:

(a) That the individual filing the statement has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended;

(b) That the individual filing the statement is not required to register with the selective service for one of the following reasons:

(i) The individual is under eighteen or over twenty-six years of age.

(ii) The individual is on active duty with the armed forces of the United States other than for training in a reserve or national guard unit.

(iii) The individual is a nonimmigrant alien lawfully in the United States in accordance with section 101 (a)(15) of the "Immigration and Nationality Act," 8 U.S.C. 1101, as amended.

(iv) The individual is not a citizen of the United States and is a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands.

(4) "Institution of higher education" means any eligible institution approved by the United States department of education pursuant to the "Higher Education Act of 1965," 79 Stat. 1219, as amended, or any institution whose students are eligible for financial assistance under any of the programs described by division (E) of this section.

(B) The ~~Ohio board of regents~~ chancellor shall, by rule, specify the form of statements of selective service status to be filed in compliance with divisions (C) to (F) of this section. Each statement of selective service status shall contain a section wherein a male student born after December 31, 1959, certifies that the student has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended. For those students not required to register with the selective service, as specified in divisions (A)(2)(b)(i) to (iv) of this section, a section shall be provided on the statement of selective service status for the certification of nonregistration and for an explanation of the reason for the exemption. The ~~board of regents~~ chancellor may require that such statements be accompanied by documentation specified by rule of the ~~board~~ chancellor.

(C) A state university or college that enrolls in any course, class, or program a male student born after December 31, 1959, who has not filed a statement of selective service status with the university or college shall, regardless of the student's residency, charge the student any tuition surcharge charged students who are not residents of this state.

(D) No male born after December 31, 1959, shall be eligible to receive any loan, grant, scholarship, or other financial assistance for educational expenses granted under section 3315.33, 3333.12, 3333.122, 3333.21, 3333.22, 3333.26, 3333.27, 5910.03, 5910.032, or 5919.34 of the Revised Code, or financed by an award under the choose Ohio first scholarship program established under section 3333.61 of the Revised Code, unless that person has filed a statement of selective service status with that person's institution of higher education.

(E) If an institution of higher education receives a statement from an

individual certifying that the individual has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended or that the individual is exempt from registration for a reason other than that the individual is under eighteen years of age, the institution shall not require the individual to file any further statements. If it receives a statement certifying that the individual is not required to register because the individual is under eighteen years of age, the institution shall require the individual to file a new statement of selective service status each time the individual seeks to enroll for a new academic term or makes application for a new loan or loan guarantee or for any form of financial assistance for educational expenses, until it receives a statement certifying that the individual has registered with the selective service system or is exempt from registration for a reason other than that the individual is under eighteen years of age.

Sec. 3345.35. (A) As used in this section, "state institution of higher education" has the same meaning as section 3345.011 of the Revised Code.

(B) There is hereby created a higher education statewide purchasing consortium to be administered by the inter-university council of Ohio. The consortium shall be comprised of the purchasing officer of each state institution of higher education. The board of trustees of each state institution of higher education shall enter into price agreements offered and administered by the consortium.

(C) The consortium shall operate in accordance with sections 9.31, 9.311, 9.312, 9.313, 9.333, 125.09, 125.11, 125.111, 125.13, 127.16, 153.012, 153.54, 340.13, 1551.13, and 4115.31 to 4115.35 of the Revised Code and all provisions of the Revised Code governing purchasing by state institutions of higher education.

(D) The consortium annually shall report price agreement usage and cost savings to the chancellor of the Ohio board of regents.

(E) Each state institution of higher education shall do all of the following:

(1) Enter into price agreements for the purpose of purchasing services, supplies, and major items commonly purchased by state institutions of higher education;

(2) Double the amount of dollars the state institution of higher education spends through the established price agreements every biennium over the preceding biennium;

(3) Report to the consortium monthly price agreement usage and any savings that result from purchasing through consortium initiated and approved price agreements.

Sec. 3353.03. (A) The eTech Ohio commission shall appoint an executive director, who shall serve at the pleasure of the commission. The executive director shall have no authority other than that provided by law or delegated to the executive director by the commission. The executive director shall do all of the following:

(1) Direct commission employees in the administration of all programs of the commission;

(2) Provide leadership and support in extending the knowledge of the citizens of this state by promoting equal access to and use of all forms of educational technology, as directed by the commission;

(3) Provide financial and other assistance to school districts, educational television and radio stations, radio reading services, educational technology organizations, and other educational institutions, ~~affiliates, and, if approved by the commission, educational technology organizations~~ for the acquisition and utilization of educational technology;

(4) Implement policies and directives issued by the commission;

(5) Perform other duties authorized by the commission.

(B) The commission shall fix the compensation of the executive director. The executive director shall employ and fix the compensation for such employees as necessary to facilitate the activities and purposes of the commission. The employees shall serve at the pleasure of the executive director.

(C) The employees of the commission shall be placed in the unclassified service.

(D)(1) Except as provided in division (D)(2) of this section, the employees of the commission shall be exempt from Chapter 4117. of the Revised Code and shall not be public employees as defined in section 4117.01 of the Revised Code.

(2) All employees of the commission who transferred to the commission from one of the commission's predecessor agencies upon the commission's creation and, when employed by the predecessor agency were included in a bargaining unit established under Chapter 4117. of the Revised Code, shall continue to be included in that bargaining unit, are public employees as defined in section 4117.01 of the Revised Code, and may collectively bargain with the commission in accordance with that chapter. Otherwise, any employee hired by the commission after ~~the effective date of this section~~ July 1, 2005, either to fill vacancies or to fill new positions, shall be exempt from Chapter 4117. of the Revised Code and shall not be public employees as defined in section 4117.10 of the Revised Code.

Sec. 3353.20. As used in sections 3353.20 to 3353.30 of the Revised

Code:

(A) "Clearinghouse" means the clearinghouse established under section 3353.21 of the Revised Code.

(B) "Data verification code" means the code assigned to a student under division (D)(2) of section 3301.0714 of the Revised Code.

(C) "One-half unit" of instruction has the same meaning as in section 3313.603 of the Revised Code.

(D) A "student's community school" means the community school established under Chapter 3314. of the Revised Code in which the student is enrolled instead of being enrolled in a school operated by a school district.

(E) A "student's school district" means the school district operating the school in which the student is lawfully enrolled.

Sec. 3353.21. (A) The eTech Ohio commission shall establish a clearinghouse of interactive distance learning courses and other distance learning courses delivered via a computer-based method offered by school districts for sharing with other school districts and community schools for the fee set pursuant to section 3353.24 of the Revised Code. The commission shall not be responsible for the content of courses offered through the clearinghouse; however, all such courses shall be delivered only in accordance with technical specifications approved by the commission.

(B) To offer a course through the clearinghouse, a school district shall apply to the commission in a form and manner prescribed by the commission. The application for each course shall describe the course of study in as much detail as required by the commission, the qualification and credentials of the teacher, the number of hours of instruction, the technology required to deliver and receive the course, the technical capacity of the school district to deliver the course, the times that the school district plans to deliver the course, and any other information required by the commission. The commission may require school districts to include in their applications information recommended by the state board of education under section 3353.30 of the Revised Code.

(C) The commission shall review the technical specifications of each application submitted under division (B) of this section and shall approve a course offered if the commission determines that the school district can satisfactorily deliver the course through the technology necessary for that delivery. In reviewing applications, the commission may consult with the department of education; however, the responsibility to either approve or not approve a course for the clearinghouse belongs to the commission. The commission may request additional information from a school district that submits an application under division (B) of this section, if the commission

determines that such information is necessary. The commission may negotiate changes in the proposal to offer a course, if the commission determines that changes are necessary in order to approve the course.

(D) The commission shall catalog each course approved for the clearinghouse, through a print or electronic medium, displaying the following:

(1) Information necessary for a student and the student's parent, guardian, or custodian and the student's school district or community school to decide whether to enroll in the course;

(2) Instructions for enrolling in that course, including deadlines for enrollment.

Sec. 3353.22. (A) A student who is enrolled in a school operated by a school district or in a community school may enroll in a course included in the clearinghouse only if both of the following conditions are satisfied:

(1) The student's enrollment in the course is approved by the student's school district or the student's community school.

(2) The student's school district or the student's community school agrees to accept for credit the grade assigned by the district that is delivering the course.

(B) For each student enrolling in a course, the student's school district or the student's community school shall transmit the student's data verification code and the student's name to the school district delivering the course.

The district delivering the course may request from the student's school district or the student's community school other information from the student's school record. The student's school district or the student's community school shall provide the requested information only in accordance with section 3319.321 of the Revised Code.

(C) The student's school district or the student's community school shall determine the manner in which and facilities at which the student shall participate in the course consistent with specifications for technology and connectivity adopted by the commission.

(D) A student may withdraw from a course prior to the end of the course only by a date and in a manner prescribed by the student's school district or community school.

(E) A student who is enrolled in a school operated by a school district or in a community school and who takes a course included in the clearinghouse shall be counted in the formula ADM of a school district under section 3317.03 of the Revised Code as if the student were taking the course from the student's school district or the student's community school.

Sec. 3353.23. For each student enrolled in a course included in the

clearinghouse, the student's school district or the student's community school and the school district delivering the course shall report to the department of education, in accordance with the guidelines established under section 3301.0714 of the Revised Code, the information the department determines is necessary for the department to make the deductions and payments required under section 3353.25 of the Revised Code.

Sec. 3353.24. (A) Unless the eTech Ohio commission sets a different fee amount pursuant to division (B) of this section, the fee for each course that is the equivalent of one-half unit of instruction offered through the clearinghouse shall be one hundred seventy-five dollars per student. The commission shall set the fee for a course that is either less than or greater than one-half unit of instruction based on the proportional amount the course is either less than or greater than one-half unit of instruction.

(B) The commission, by rule adopted in accordance with Chapter 119. of the Revised Code, may set a fee for courses offered through the clearinghouse at a rate other than the one specified in division (A) of this section.

(C) The commission shall proportionally reduce the fee for any student who withdraws from a course prior to the end of the course pursuant to division (D) of section 3353.22 of the Revised Code.

Sec. 3353.25. For each student enrolled in a course included in the clearinghouse, in accordance with information reported under section 3353.23 of the Revised Code and not later than the last day of that course, the department of education shall deduct the amount of the fee for that course from the student's school district or the student's community school, under division (P) of section 3317.023 or section 3314.086 or 3317.161 of the Revised Code, and shall pay that amount to the school district delivering the course.

Sec. 3353.26. The grade for a student who enrolls in a course included in the clearinghouse shall be assigned by the school district that delivers the course and shall be transmitted by that district to the student's school district or the student's community school.

Sec. 3353.27. The eTech Ohio commission may determine the manner in which a course included in the clearinghouse may be offered as a dual enrollment program as defined in section 3313.6013 of the Revised Code, may be offered to students who are enrolled in nonpublic schools or are instructed at home pursuant to section 3321.04 of the Revised Code, or may be offered at times outside the normal school day or school week, including any necessary additional fees and methods of payment for a course so

offered.

Sec. 3353.28. The eTech Ohio commission shall adopt rules in accordance with Chapter 119. of the Revised Code prescribing procedures for the implementation of sections 3353.20 to 3353.27 of the Revised Code.

Sec. 3353.29. Nothing in sections 3353.20 to 3353.28 of the Revised Code, or in rules implementing those sections, shall prohibit a school district from offering an interactive distance learning course or other distance learning course using a computer-based method through any means other than the clearinghouse established and maintained under those sections.

Sec. 3353.30. Not later than six months after the effective date of this section, the state board of education shall adopt a resolution recommending to the eTech Ohio commission the types of information about a distance learning course that the commission might require school districts to submit with their applications to include the course in the clearinghouse.

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 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. Notwithstanding the foregoing or any provision of the Revised Code to the contrary, the board of trustees of a community college district may provide for the investment of district funds in any manner authorized under section 3345.05 of the Revised Code.

(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. 3357.01. As used in ~~sections 3357.01 to 3357.19, inclusive, of the Revised Code~~ this chapter:

(A) "Technical college" means an institution of education beyond the high school, including an institution of higher education, organized for the principal purpose of providing for the residents of the technical college district, wherein such college is situated, any one or more of the instructional programs defined in this section as "~~technical college~~ technical college," or "adult-education technical programs," normally not exceeding two years duration and not leading to a baccalaureate degree.

(B) "Technical college district" means a political subdivision of the state and a body corporate with all the powers of a corporation, comprised of the territory of a city school district or a county, or two or more contiguous school districts or counties, which meets the standards prescribed by the Ohio board of regents pursuant to section 3357.02 of the Revised Code, and which is organized for the purpose of establishing, owning, and operating one or more technical colleges within the territory of such district.

(C) "Contiguous school districts or counties" means school districts or counties so located that each such school district or county shares at least one boundary or a portion thereof in common with at least one other such school district or county in the group of school districts or counties referred to as being "contiguous."

(D) "Technical college program" means a post high school curricular program provided within a technical college, planned and intended to qualify students, after satisfactory completion of such a program normally two years in duration, to pursue careers in which they provide immediate technical assistance to professional or managerial persons generally required to hold baccalaureate or higher academic degrees in technical or professional fields. The technical and professional fields referred to in this section include, but are not limited to, engineering and physical, medical, or other sciences.

(E) "Adult-education technical program" means the dissemination of post high school technical education service and knowledge, for the occupational, or general educational benefit of adult persons.

(F) "Charter amendment" means a change in the official plan of a technical college for the purpose of acquiring additional lands or structures, disposing of or transferring lands or structures, erecting structures, creating or abolishing technical college or adult education technical curricular programs.

(G) "Baccalaureate-oriented associate degree program" means a curricular program of not more than two years' duration that is planned and intended to enable students to gain academic credit for courses comparable to first- and second-year courses offered by accredited colleges and universities. The purpose of baccalaureate-oriented associate degree coursework in technical colleges is to enable students to transfer to colleges and universities and earn baccalaureate degrees or to enable students to terminate academic study after two years with a proportionate recognition of academic achievement through receipt of an associate degree.

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. Notwithstanding the foregoing or any provision of the Revised Code to the contrary, the board of trustees of a technical college district may provide for the investment of district funds in any manner authorized under section 3345.05 of the Revised Code.

Sec. 3357.13. As used in this section, "state institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.

A technical college regardless of its co-location with another state institution of higher education may offer any baccalaureate-oriented associate degree program, provided however that any new or expanded programs at co-located campuses must be approved by the chancellor of the Ohio board of regents. In reviewing such programs, the chancellor shall determine whether the proposed program would promote cooperation and collaboration between co-located institutions while minimizing duplication.

Sec. 3358.06. (A) The treasurer of each state community college district shall be its fiscal officer, and 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, the treasurer or the treasurer's legal representative shall deliver to the treasurer's successor or the president all moneys, books, papers, and other property of the college.

Before entering upon the discharge of official duties, the treasurer shall give bond to the state for the faithful performance of official duties and the proper accounting for all moneys coming into 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 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. Notwithstanding the foregoing or any provision

of the Revised Code to the contrary, the board of trustees of a state community college district may provide for the investment of district funds in any manner authorized under section 3345.05 of the Revised Code.

Sec. 3365.01. As used in this chapter:

(A) "College" means any state-assisted college or university described in section 3333.041 of the Revised Code, any nonprofit institution holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code, any private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, and any institution holding a certificate of registration from the state board of career colleges and schools and program authorization for an associate or bachelor's degree program issued under section 3332.05 of the Revised Code.

(B) "School district," except as specified in division (G) of this section, means any school district to which a student is admitted under section 3313.64, 3313.65, 3313.98, or 3317.08 of the Revised Code and does not include a joint vocational or cooperative education school district.

(C) "Parent" has the same meaning as in section 3313.64 of the Revised Code.

(D) "Participant" means a student enrolled in a college under the post-secondary enrollment options program established by this chapter.

(E) "Secondary grade" means the ninth through twelfth grades.

(F) "School foundation payments" means the amount required to be paid to a school district for a fiscal year under Chapter 3317. of the Revised Code.

(G) "Tuition base" means, with respect to a participant's school district, the ~~greater of the following:~~

~~(1) The fiscal year 2005 formula amount defined in section 3317.02 of the Revised Code multiplied by the district's fiscal year 2005 cost of doing business factor defined in that section;~~

~~(2) The sum of (the current formula amount times the current cost of doing business factor defined in section 3317.02 of the Revised Code) 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 participant's "school district" in the case of a participant enrolled in a community school shall be the school district in which the student is entitled to attend school under section 3313.64 or 3313.65 of the Revised Code.

(H) "Educational program" means enrollment in one or more school districts, in a nonpublic school, or in a college under division (B) of section

3365.04 of the Revised Code.

(I) "Nonpublic school" means a chartered or nonchartered school for which minimum standards are prescribed by the state board of education pursuant to division (D) of section 3301.07 of the Revised Code.

(J) "School year" means the year beginning on the first day of July and ending on the thirtieth day of June.

(K) "Community school" means any school established pursuant to Chapter 3314. of the Revised Code that includes secondary grades.

(L) ~~"Community school payments" means payments made by the department of education to a community school pursuant to division (D) of section 3314.08~~ STEM school" means a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code.

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, the STEM school chief administrative officer, 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~~ provide the notification 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, the STEM school chief administrative officer, or the nonpublic school administrator.

(C) Requirements that school districts ~~and~~, community schools, and

STEM 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.

Sec. 3365.03. (A) Notwithstanding any other provision of law, a student enrolled in a school district, a community school, a STEM school, or a participating nonpublic school may apply to a college to enroll in it during the student's ninth, tenth, eleventh, or twelfth grade school year under this chapter. For purposes of this division, during the period of an expulsion imposed under division (B) of section 3313.66 of the Revised Code or extended under division (F) of that section, a student is ineligible to apply to enroll in a college under this section, unless the student is admitted to another school district or community school, or a participating nonpublic

school. If a student is enrolled in a college under this section at the time the student is expelled under division (B) of section 3313.66 of the Revised Code, the student's status for the remainder of the college term in which the expulsion is imposed shall be determined under section 3365.041 of the Revised Code.

(B) If a college accepts a student who applies under this section, it shall send written notice to the student, the student's school district, community school, STEM school, or nonpublic school, and the superintendent of public instruction within ten days after acceptance. Within ten days after each enrollment for a term, the college shall also send the student, the student's school district, community school, STEM school, or nonpublic school, and the superintendent of public instruction a written notice indicating the courses and hours of enrollment of the student and the option elected by the student under division (A) or (B) of section 3365.04 of the Revised Code for each course.

Sec. 3365.04. The rules adopted under section 3365.02 of the Revised Code shall provide for students to enroll in courses under either of the following options:

(A) The student may elect at the time of enrollment to be responsible for payment of all tuition and the cost of all textbooks, materials, and fees associated with the course. The college shall notify the student about payment of tuition and fees in the customary manner followed by the college. A student electing this option also shall elect, at the time of enrollment, whether to receive only college credit or high school credit and college credit for the course.

(1) The student may elect to receive only college credit for the course. Except as provided in section 3365.041 of the Revised Code, if the student successfully completes the course, the college shall award the student full credit for the course, but the board of education, community school governing authority, STEM school, or nonpublic participating school shall not award the high school credit.

(2) The student may elect to receive both high school credit and college credit for the course. Except as provided in section 3365.041 of the Revised Code, if the student successfully completes the course, the college shall award the student full credit for the course and the board of education, community school governing authority, STEM school, or nonpublic school shall award the student high school credit.

(B) The student may elect at the time of enrollment for each course to have the college reimbursed under section 3365.07 of the Revised Code. Except as provided in section 3365.041 of the Revised Code, if the student

successfully completes the course, the college shall award the student full credit for the course, the board of education, community school governing authority, STEM school, or nonpublic school shall award the student high school credit, and the college shall be reimbursed in accordance with section 3365.07 of the Revised Code.

When determining a school district's formula ADM under section 3317.03 of the Revised Code, the time a participant is attending courses under division (A) of this section shall be considered as time the participant is not attending or enrolled in school anywhere, and the time a participant is attending courses under division (B) of this section shall be considered as time the participant is attending or enrolled in the district's schools.

Sec. 3365.041. (A) When a school district superintendent ~~or, the~~ governing authority of a community school, or the chief administrative officer of a STEM school expels a student under division (B) of section 3313.66 of the Revised Code, the district superintendent, governing authority, or ~~board~~ chief administrative officer shall send a written notice of the expulsion to any college in which the expelled student is enrolled under section 3365.03 of the Revised Code at the time the expulsion is imposed. The notice shall indicate the date the expulsion is scheduled to expire. The notice also shall indicate whether the district board of education ~~or,~~ community school governing authority, or the STEM school has adopted a policy under section 3313.613 of the Revised Code to deny high school credit for post-secondary courses taken during an expulsion. If the expulsion is extended under division (F) of section 3313.66 of the Revised Code, the district superintendent ~~or, community school~~ governing authority, or STEM school chief administrative officer shall notify the college of the extension.

(B) A college may withdraw its acceptance under section 3365.03 of the Revised Code of a student who is expelled from school under division (B) of section 3313.66 of the Revised Code. As provided in section 3365.03 of the Revised Code, regardless of whether the college withdraws its acceptance of the student for the college term in which the student is expelled, the student is ineligible to enroll in a college under that section for subsequent college terms during the period of the expulsion, unless the student enrolls in another school district or community school, or a participating nonpublic school during that period.

If a college withdraws its acceptance of an expelled student who elected either option of division (A)(1) or (2) of section 3365.04 of the Revised Code, the college shall refund tuition and fees paid by the student in the same proportion that it refunds tuition and fees to students who voluntarily withdraw from the college at the same time in the term.

If a college withdraws its acceptance of an expelled student who elected the option of division (B) of section 3365.04 of the Revised Code, the school district ~~or~~, community school, or STEM school shall not award high school credit for the college courses in which the student was enrolled at the time the college withdrew its acceptance, and any reimbursement under section 3365.07 of the Revised Code for the student's attendance prior to the withdrawal shall be the same as would be paid for a student who voluntarily withdrew from the college at the same time in the term. If the withdrawal results in the college's receiving no reimbursement, the college may require the student to return or pay for the textbooks and materials it provided the student free of charge under section 3365.08 of the Revised Code.

(C) When a student who elected the option of division (B) of section 3365.04 of the Revised Code is expelled under division (B) of section 3313.66 of the Revised Code from a school district ~~or~~, community school, or STEM school that has adopted a policy under section 3313.613 of the Revised Code, that election is automatically revoked for all college courses in which the student is enrolled during the college term in which the expulsion is imposed. Any reimbursement under section 3365.07 of the Revised Code for the student's attendance prior to the expulsion shall be the same as would be paid for a student who voluntarily withdrew from the college at the same time in the term. If the revocation results in the college's receiving no reimbursement, the college may require the student to return or pay for the textbooks and materials it provided the student free of charge under section 3365.08 of the Revised Code.

No later than five days after receiving an expulsion notice from the superintendent of a district ~~or~~, the governing authority of a community school, or the chief administrative officer of a STEM school that has adopted a policy under section 3313.613 of the Revised Code, the college shall send a written notice to the expelled student that the student's election of division (B) of section 3365.04 of the Revised Code is revoked. If the college elects not to withdraw its acceptance of the student, the student shall pay all applicable tuition and fees for the college courses and shall pay for the textbooks and materials that the college provided under section 3365.08 of the Revised Code.

Sec. 3365.05. High school credit awarded for courses successfully completed under this chapter shall count toward the graduation requirements and subject area requirements of the school district, community school, STEM school, or nonpublic school. If a course comparable to one a student completed at a college is offered by the district, ~~community school, or nonpublic school~~, the board or school shall award comparable credit for the

course completed at the college. If no comparable course is offered by the district, ~~community school~~, or ~~nonpublic~~ school, the board or school shall grant an appropriate number of credits in a similar subject area to the student.

If there is a dispute between a school district board ~~or~~, a community school governing authority, or a STEM school and a student regarding high school credits granted for a course, the student may appeal the ~~board's or governing authority's~~ decision to the state board of education. The state board's decision regarding any high school credits granted under this section is final.

Evidence of successful completion of each course and the high school credits awarded by the district, ~~community school~~, or ~~participating nonpublic~~ school shall be included in the student's record. The record shall indicate that the credits were earned as a participant under this chapter and shall include the name of the college at which the credits were earned. The district ~~board, community school governing authority~~, or ~~nonpublic~~ school shall determine whether and the manner in which the grade achieved in a course completed at a college under division (A)(2) or (B) of section 3365.04 of the Revised Code will be counted in any cumulative grade point average maintained for the student.

Sec. 3365.07. (A) The rules adopted under section 3365.02 of the Revised Code shall specify a method for each of the following:

(1) Determining, with respect to any participant, the percentage of a full-time educational program constituted by the participant's total educational program. That percentage shall be the participant's full-time equivalency percentage for purposes of the computation required by division (B)(1) of this section.

(2) In the case of a participant who is not enrolled in a participating nonpublic school, determining the percentage of a participant's school day during which the participant is participating in each of the following:

(a) Programs provided by the city, local, or exempted village school district, ~~or a community school~~, or a STEM school;

(b) Programs provided by a joint vocational school district;

(c) Programs provided by a college under division (B) of section 3365.04 of the Revised Code.

The sum of divisions (A)(2)(a) to (c) of this section shall equal one hundred per cent.

(3) In the case of a participant who is not enrolled in a participating nonpublic school, determining the percentage of a participant's enrollment that shall be deemed to be enrollment in a joint vocational school district

and the percentage that shall be deemed to be enrollment in a city, local, or exempted village school district. The sum of such percentages shall equal one hundred per cent.

(4) In the case of a participant who is enrolled in a participating nonpublic school, determining the percentage of a participant's school day during which the participant is participating in programs provided by a college under division (B) of section 3365.04 of the Revised Code.

(B) Each July, the department of education shall pay each college for any participant enrolled in the college in the prior school year under division (B) of section 3365.04 of the Revised Code an amount computed as follows:

(1) Multiply the tuition base by the participant's full-time equivalency percentage and multiply the resulting amount by a percentage equal to the percentage of the participant's school day apportioned to the college under division (A)(2)(c) or (4) of this section, as applicable.

(2) Pay the college the lesser of:

(a) The amount computed under division (B)(1) of this section;

(b) The actual costs that would have been the responsibility of the participant had the participant elected to enroll under division (A) of section 3365.04 of the Revised Code, as verified by the department, of tuition, textbooks, materials, and fees directly related to any courses elected by the participant during the prior school year under division (B) of section 3365.04 of the Revised Code.

(C) The department shall not reimburse any college for any course taken by a participant under division (A) of section 3365.04 of the Revised Code.

(D) If the participant was not enrolled in a participating nonpublic school, the amount paid under division (B) of this section for each participant shall be subtracted from the school foundation payments made to the participant's school district or, if the participant was enrolled in a community school or a STEM school, from the ~~community school~~ payments made to the participant's school under section 3314.08 or 3326.33 of the Revised Code. If the participant was enrolled in a joint vocational school district, a portion of the amount shall be subtracted from the payments to the joint vocational school district and a portion shall be subtracted from the payments to the participant's city, local, or exempted village school district. The amount of the payment subtracted from the city, local, or exempted village school district shall be computed as follows:

(1) Add the following:

(a) The percentage of the participant's enrollment in the school district, determined under division (A)(3) of this section; and

(b) Twenty-five per cent times the percentage of the participant's

enrollment in the joint vocational school district, determined under division (A)(3) of this section.

(2) Multiply the sum obtained under division (D)(1) of this section by the amount computed under division (B)(2) of this section.

The balance of the payment shall be subtracted from the joint vocational district's school foundation payments.

(E) If the participant was enrolled in a participating nonpublic school, the amount paid under division (B) of this section shall be subtracted from moneys set aside by the general assembly for such purpose from funds appropriated for the purposes of section 3317.06 of the Revised Code.

Sec. 3365.09. Section 3365.07 and divisions (A) and (C) of section 3365.08 of the Revised Code do not apply to any college course in which a student is enrolled if during the term such student is enrolled in the college course the student is also a full-time student in the student's district, community school, STEM school, or nonpublic school. The rules adopted under section 3365.02 of the Revised Code shall prescribe a method for determining whether a student is enrolled full-time in the student's district, community school, STEM school, or nonpublic school.

Sec. 3365.11. (A) If the superintendent of the school district or the chief administrator of the community school or STEM 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, or the STEM 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. 3381.04. (A) In lieu of the procedure set forth in section 3381.03 of the Revised Code, any county with a population of five hundred thousand or more, at any time before the creation of a regional arts and cultural district under that section, may create a regional arts and cultural district by adoption of a resolution by the board of county commissioners of that county. The resolution shall state all of the following:

- (1) The purposes for the creation of the district;
- (2) That the territory of the district shall be coextensive with the territory of the county;
- (3) The official name by which the district shall be known;
- (4) The location of the principal office of the district or the manner in which the location shall be selected.

(B) The district provided for in the resolution shall be created upon the adoption of the resolution by the board of county commissioners of that county. Upon the adoption of the resolution, the county and the municipal corporations and townships contained in the county shall not thereafter be a part of any other regional arts and cultural district.

(C) The board of trustees of any regional arts and cultural district formed in accordance with this section shall be comprised of ~~three~~ five members appointed by the board of county commissioners.

Sec. 3501.01. As used in the sections of the Revised Code relating to elections and political communications:

(A) "General election" means the election held on the first Tuesday after the first Monday in each November.

(B) "Regular municipal election" means the election held on the first Tuesday after the first Monday in November in each odd-numbered year.

(C) "Regular state election" means the election held on the first Tuesday after the first Monday in November in each even-numbered year.

(D) "Special election" means any election other than those elections defined in other divisions of this section. A special election may be held only on the first Tuesday after the first Monday in February, May, August, or November, or on the day authorized by a particular municipal or county charter for the holding of a primary election, except that in any year in which a presidential primary election is held, no special election shall be held in February or May, except as authorized by a municipal or county charter, but may be held on the first Tuesday after the first Monday in March.

(E)(1) "Primary" or "primary election" means an election held for the

purpose of nominating persons as candidates of political parties for election to offices, and for the purpose of electing persons as members of the controlling committees of political parties and as delegates and alternates to the conventions of political parties. Primary elections shall be held on the first Tuesday after the first Monday in May of each year except in years in which a presidential primary election is held.

(2) "Presidential primary election" means a primary election as defined by division (E)(1) of this section at which an election is held for the purpose of choosing delegates and alternates to the national conventions of the major political parties pursuant to section 3513.12 of the Revised Code. Unless otherwise specified, presidential primary elections are included in references to primary elections. In years in which a presidential primary election is held, all primary elections shall be held on the first Tuesday after the first Monday in March except as otherwise authorized by a municipal or county charter.

(F) "Political party" means any group of voters meeting the requirements set forth in section 3517.01 of the Revised Code for the formation and existence of a political party.

(1) "Major political party" means any political party organized under the laws of this state whose candidate for governor or nominees for presidential electors received no less than twenty per cent of the total vote cast for such office at the most recent regular state election.

(2) "Intermediate political party" means any political party organized under the laws of this state whose candidate for governor or nominees for presidential electors received less than twenty per cent but not less than ten per cent of the total vote cast for such office at the most recent regular state election.

(3) "Minor political party" means any political party organized under the laws of this state whose candidate for governor or nominees for presidential electors received less than ten per cent but not less than five per cent of the total vote cast for such office at the most recent regular state election or which has filed with the secretary of state, subsequent to any election in which it received less than five per cent of such vote, a petition signed by qualified electors equal in number to at least one per cent of the total vote cast for such office in the last preceding regular state election, except that a newly formed political party shall be known as a minor political party until the time of the first election for governor or president which occurs not less than twelve months subsequent to the formation of such party, after which election the status of such party shall be determined by the vote for the office of governor or president.

(G) "Dominant party in a precinct" or "dominant political party in a precinct" means that political party whose candidate for election to the office of governor at the most recent regular state election at which a governor was elected received more votes than any other person received for election to that office in such precinct at such election.

(H) "Candidate" means any qualified person certified in accordance with the provisions of the Revised Code for placement on the official ballot of a primary, general, or special election to be held in this state, or any qualified person who claims to be a write-in candidate, or who knowingly assents to being represented as a write-in candidate by another at either a primary, general, or special election to be held in this state.

(I) "Independent candidate" means any candidate who claims not to be affiliated with a political party, and whose name has been certified on the office-type ballot at a general or special election through the filing of a statement of candidacy and nominating petition, as prescribed in section 3513.257 of the Revised Code.

(J) "Nonpartisan candidate" means any candidate whose name is required, pursuant to section 3505.04 of the Revised Code, to be listed on the nonpartisan ballot, including all candidates for judicial office, for member of any board of education, for municipal or township offices in which primary elections are not held for nominating candidates by political parties, and for offices of municipal corporations having charters that provide for separate ballots for elections for these offices.

(K) "Party candidate" means any candidate who claims to be a member of a political party, whose name has been certified on the office-type ballot at a general or special election through the filing of a declaration of candidacy and petition of candidate, and who has won the primary election of the candidate's party for the public office the candidate seeks or is selected by party committee in accordance with section 3513.31 of the Revised Code.

(L) "Officer of a political party" includes, but is not limited to, any member, elected or appointed, of a controlling committee, whether representing the territory of the state, a district therein, a county, township, a city, a ward, a precinct, or other territory, of a major, intermediate, or minor political party.

(M) "Question or issue" means any question or issue certified in accordance with the Revised Code for placement on an official ballot at a general or special election to be held in this state.

(N) "Elector" or "qualified elector" means a person having the qualifications provided by law to be entitled to vote.

(O) "Voter" means an elector who votes at an election.

(P) "Voting residence" means that place of residence of an elector which shall determine the precinct in which the elector may vote.

(Q) "Precinct" means a district within a county established by the board of elections of such county within which all qualified electors having a voting residence therein may vote at the same polling place.

(R) "Polling place" means that place provided for each precinct at which the electors having a voting residence in such precinct may vote.

(S) "Board" or "board of elections" means the board of elections appointed in a county pursuant to section 3501.06 of the Revised Code.

(T) "Political subdivision" means a county, township, city, village, or school district.

(U) "Election officer" or "election official" means any of the following:

(1) Secretary of state;

(2) Employees of the secretary of state serving the division of elections in the capacity of attorney, administrative officer, administrative assistant, elections administrator, office manager, or clerical supervisor;

(3) Director of a board of elections;

(4) Deputy director of a board of elections;

(5) Member of a board of elections;

(6) Employees of a board of elections;

(7) Precinct polling place judges ~~and clerks~~;

(8) Employees appointed by the boards of elections on a temporary or part-time basis.

(V) "Acknowledgment notice" means a notice sent by a board of elections, on a form prescribed by the secretary of state, informing a voter registration applicant or an applicant who wishes to change the applicant's residence or name of the status of the application; the information necessary to complete or update the application, if any; and if the application is complete, the precinct in which the applicant is to vote.

(W) "Confirmation notice" means a notice sent by a board of elections, on a form prescribed by the secretary of state, to a registered elector to confirm the registered elector's current address.

(X) "Designated agency" means an office or agency in the state that provides public assistance or that provides state-funded programs primarily engaged in providing services to persons with disabilities and that is required by the National Voter Registration Act of 1993 to implement a program designed and administered by the secretary of state for registering voters, or any other public or government office or agency that implements a program designed and administered by the secretary of state for registering

voters, including the department of job and family services, the program administered under section 3701.132 of the Revised Code by the department of health, the department of mental health, the department of mental retardation and developmental disabilities, the rehabilitation services commission, and any other agency the secretary of state designates. "Designated agency" does not include public high schools and vocational schools, public libraries, or the office of a county treasurer.

(Y) "National Voter Registration Act of 1993" means the "National Voter Registration Act of 1993," 107 Stat. 77, 42 U.S.C.A. 1973gg.

(Z) "Voting Rights Act of 1965" means the "Voting Rights Act of 1965," 79 Stat. 437, 42 U.S.C.A. 1973, as amended.

(AA) "Photo identification" means a document that meets each of the following requirements:

(1) It shows the name of the individual to whom it was issued, which shall conform to the name in the poll list or signature pollbook.

(2) It shows the current address of the individual to whom it was issued, which shall conform to the address in the poll list or signature pollbook, except for a driver's license or a state identification card issued under section 4507.50 of the Revised Code, which may show either the current or former address of the individual to whom it was issued, regardless of whether that address conforms to the address in the poll list or signature pollbook.

(3) It shows a photograph of the individual to whom it was issued.

(4) It includes an expiration date that has not passed.

(5) It was issued by the government of the United States or this state.

Sec. 3501.05. The secretary of state shall do all of the following:

(A) Appoint all members of boards of elections;

(B) Issue instructions by directives and advisories to members of the boards as to the proper methods of conducting elections. In addition to any other publication of those directives and advisories, the secretary of state shall publish those directives and advisories on a web site of the office of the secretary of state as soon as is practicable after they are issued, but not later than the close of business on the same day as a directive or advisory is issued. The secretary of state shall not remove from the web site any directives and advisories so posted. The secretary of state shall provide on that web site access to all directives and advisories currently in effect and ~~to~~ maintain an archive of all directives and advisories previously published on that web site.

(C) Prepare rules and instructions for the conduct of elections;

(D) Publish and furnish to the boards from time to time a sufficient number of indexed copies of all election laws then in force;

(E) Edit and issue all pamphlets concerning proposed laws or amendments required by law to be submitted to the voters;

(F) Prescribe the form of registration cards, blanks, and records;

(G) Determine and prescribe the forms of ballots and the forms of all blanks, cards of instructions, pollbooks, tally sheets, certificates of election, and forms and blanks required by law for use by candidates, committees, and boards;

(H) Prepare the ballot title or statement to be placed on the ballot for any proposed law or amendment to the constitution to be submitted to the voters of the state;

(I) Except as otherwise provided in section 3519.08 of the Revised Code, certify to the several boards the forms of ballots and names of candidates for state offices, and the form and wording of state referendum questions and issues, as they shall appear on the ballot;

(J) Except as otherwise provided in division (I)(2)(b) of section 3501.38 of the Revised Code, give final approval to ballot language for any local question or issue approved and transmitted by boards of elections under section 3501.11 of the Revised Code;

(K) Receive all initiative and referendum petitions on state questions and issues and determine and certify to the sufficiency of those petitions;

(L) Require such reports from the several boards as are provided by law, or as the secretary of state considers necessary;

(M) Compel the observance by election officers in the several counties of the requirements of the election laws;

(N)(1) Except as otherwise provided in division (N)(2) of this section, investigate the administration of election laws, frauds, and irregularities in elections in any county, and report violations of election laws to the attorney general or prosecuting attorney, or both, for prosecution;

(2) On and after August 24, 1995, report a failure to comply with or a violation of a provision in sections 3517.08 to 3517.13, 3517.17, 3517.18, 3517.20 to 3517.22, 3599.03, or 3599.031 of the Revised Code, whenever the secretary of state has or should have knowledge of a failure to comply with or a violation of a provision in one of those sections, by filing a complaint with the Ohio elections commission under section 3517.153 of the Revised Code;

(O) Make an annual report to the governor containing the results of elections, the cost of elections in the various counties, a tabulation of the votes in the several political subdivisions, and other information and recommendations relative to elections the secretary of state considers desirable;

(P) Prescribe and distribute to boards of elections a list of instructions indicating all legal steps necessary to petition successfully for local option elections under sections 4301.32 to 4301.41, 4303.29, 4305.14, and 4305.15 of the Revised Code;

(Q) Adopt rules pursuant to Chapter 119. of the Revised Code ~~to require each board for the removal by boards~~ of elections ~~to remove of~~ ineligible voters from the statewide voter registration database and, if ~~already prepared for a particular election applicable~~, from the poll list or signature pollbook used in each precinct, which rules shall provide for all of the following:

(1) A process for the removal of voters who have changed residence, which shall be uniform, nondiscriminatory, and in compliance with the Voting Rights Act of 1965 and the National Voter Registration Act of 1993, including a program that uses the national change of address service provided by the United States postal system through its licensees;

(2) A process for the removal of ineligible voters under section 3503.21 of the Revised Code;

(3) A uniform system for marking or removing the name of ~~an ineligible~~ a voter who is ineligible to vote from the statewide voter registration database and, if ~~already prepared for a particular election applicable~~, from the poll list or signature pollbook used in each precinct and noting the reason for that mark or removal.

(R) Prescribe a general program for registering voters or updating voter registration information, such as name and residence changes, ~~at by boards of elections~~, designated agencies, ~~the~~ offices of deputy registrars of motor vehicles, public high schools and vocational schools, public libraries, and ~~the~~ offices of county treasurers, ~~and prescribe~~ consistent with the requirements of section 3503.09 of the Revised Code;

(S) Prescribe a program of distribution of voter registration forms through ~~those boards of elections, designated~~ agencies, ~~the~~ offices of the registrar and deputy registrars of motor vehicles, public high schools and vocational schools, public libraries, and ~~the~~ offices of county treasurers;

~~(S)(T)~~ To the extent feasible, provide copies, at no cost and upon request, of the voter registration form in post offices in this state;

~~(T)(U)~~ Adopt rules pursuant to section 111.15 of the Revised Code for the purpose of implementing the program for registering voters ~~at~~ through boards of elections, designated agencies, and the offices of the registrar and deputy registrars of motor vehicles consistent with this chapter;

~~(U)(V)~~ Establish the full-time position of Americans with Disabilities Act coordinator within the office of the secretary of state to do all of the following:

(1) Assist the secretary of state with ensuring that there is equal access to polling places for persons with disabilities;

(2) Assist the secretary of state with ensuring that each voter may cast the voter's ballot in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters;

(3) Advise the secretary of state in the development of standards for the certification of voting machines, marking devices, and automatic tabulating equipment.

~~(V)~~(W) Establish and maintain a computerized statewide database of all legally registered voters under section 3503.15 of the Revised Code that complies with the requirements of the "Help America Vote Act of 2002," Pub. L. No. 107-252, 116 Stat. 1666, and provide training in the operation of that system;

~~(W)~~(X) Ensure that all directives, advisories, other instructions, or decisions issued or made during or as a result of any conference or teleconference call with a board of elections to discuss the proper methods and procedures for conducting elections, to answer questions regarding elections, or to discuss the interpretation of directives, advisories, or other instructions issued by the secretary of state are posted on a web site of the office of the secretary of state as soon as is practicable after the completion of the conference or teleconference call, but not later than the close of business on the same day as the conference or teleconference call takes place.

~~(X)~~(Y) Publish a report on a web site of the office of the secretary of state not later than one month after the completion of the canvass of the election returns for each primary and general election, identifying, by county, the number of absent voter's ballots cast and the number of those ballots that were counted, and the number of provisional ballots cast and the number of those ballots that were counted, for that election. The secretary of state shall maintain the information on the web site in an archive format for each subsequent election.

~~(Y)~~(Z) Conduct voter education outlining voter identification, absent voters ballot, provisional ballot, and other voting requirements;

~~(Z)~~(AA) Establish a procedure by which a registered elector may ~~update the elector's~~ make available to a board of elections a more recent signature to be used in the poll list or signature pollbook produced by the board of elections of the county in which the elector resides;

~~(AA)~~(BB) Disseminate information, which may include all or part of the official explanations and arguments, by means of direct mail or other written publication, broadcast, or other means or combination of means, as directed

by the Ohio ballot board under division (F) of section 3505.062 of the Revised Code, in order to inform the voters as fully as possible concerning each proposed constitutional amendment, proposed law, or referendum;

(CC) Perform other duties required by law.

Whenever a primary election is held under section 3513.32 of the Revised Code or a special election is held under section 3521.03 of the Revised Code to fill a vacancy in the office of representative to congress, the secretary of state shall establish a deadline, notwithstanding any other deadline required under the Revised Code, by which any or all of the following shall occur: the filing of a declaration of candidacy and petitions or a statement of candidacy and nominating petition together with the applicable filing fee; the filing of protests against the candidacy of any person filing a declaration of candidacy or nominating petition; the filing of a declaration of intent to be a write-in candidate; the filing of campaign finance reports; the preparation of, and the making of corrections or challenges to, precinct voter registration lists; the receipt of applications for absent voter's ballots or armed service absent voter's ballots; the supplying of election materials to precincts by boards of elections; the holding of hearings by boards of elections to consider challenges to the right of a person to appear on a voter registration list; and the scheduling of programs to instruct or reinstruct election officers.

In the performance of the secretary of state's duties as the chief election officer, the secretary of state may administer oaths, issue subpoenas, summon witnesses, compel the production of books, papers, records, and other evidence, and fix the time and place for hearing any matters relating to the administration and enforcement of the election laws.

In any controversy involving or arising out of the adoption of registration or the appropriation of funds for registration, the secretary of state may, through the attorney general, bring an action in the name of the state in the court of common pleas of the county where the cause of action arose or in an adjoining county, to adjudicate the question.

In any action involving the laws in Title XXXV of the Revised Code wherein the interpretation of those laws is in issue in such a manner that the result of the action will affect the lawful duties of the secretary of state or of any board of elections, the secretary of state may, on the secretary of state's motion, be made a party.

The secretary of state may apply to any court that is hearing a case in which the secretary of state is a party, for a change of venue as a substantive right, and the change of venue shall be allowed, and the case removed to the court of common pleas of an adjoining county named in the application or,

if there are cases pending in more than one jurisdiction that involve the same or similar issues, the court of common pleas of Franklin county.

Public high schools and vocational schools, public libraries, and the office of a county treasurer shall implement voter registration programs as directed by the secretary of state pursuant to this section.

Sec. 3501.11. Each board of elections shall exercise by a majority vote all powers granted to the board by Title XXXV of the Revised Code, shall perform all the duties imposed by law, and shall do all of the following:

(A) Establish, define, provide, rearrange, and combine election precincts;

(B) Fix and provide the places for registration and for holding primaries and elections;

(C) Provide for the purchase, preservation, and maintenance of booths, ballot boxes, books, maps, flags, blanks, cards of instructions, and other forms, papers, and equipment used in registration, nominations, and elections;

(D) Appoint and remove its director, deputy director, and employees and all registrars, judges, and other officers of elections, fill vacancies, and designate the ward or district and precinct in which each shall serve;

(E) Make and issue rules and instructions, not inconsistent with law or the rules, directives, or advisories issued by the secretary of state, as it considers necessary for the guidance of election officers and voters;

(F) Advertise and contract for the printing of all ballots and other supplies used in registrations and elections;

(G) Provide for the issuance of all notices, advertisements, and publications concerning elections, except as otherwise provided in division (G) of section 3501.17 and divisions (F) and (G) of section 3505.062 of the Revised Code;

(H) Provide for the delivery of ballots, pollbooks, and other required papers and material to the polling places;

(I) Cause the polling places to be suitably provided with voting machines, marking devices, automatic tabulating equipment, stalls, and other required supplies. In fulfilling this duty, each board of a county that uses voting machines, marking devices, or automatic tabulating equipment shall conduct a full vote of the board during a public session of the board on the allocation and distribution of voting machines, marking devices, and automatic tabulating equipment for each precinct in the county.

(J) Investigate irregularities, nonperformance of duties, or violations of Title XXXV of the Revised Code by election officers and other persons; administer oaths, issue subpoenas, summon witnesses, and compel the

production of books, papers, records, and other evidence in connection with any such investigation; and report the facts to the prosecuting attorney or the secretary of state;

(K) Review, examine, and certify the sufficiency and validity of petitions and nomination papers, and, after certification, return to the secretary of state all petitions and nomination papers that the secretary of state forwarded to the board;

(L) Receive the returns of elections, canvass the returns, make abstracts of them, and transmit those abstracts to the proper authorities;

(M) Issue certificates of election on forms to be prescribed by the secretary of state;

(N) Make an annual report to the secretary of state, on the form prescribed by the secretary of state, containing a statement of the number of voters registered, elections held, votes cast, appropriations received, expenditures made, and other data required by the secretary of state;

(O) Prepare and submit to the proper appropriating officer a budget estimating the cost of elections for the ensuing fiscal year;

(P) Perform other duties as prescribed by law or the rules, directives, or advisories of the secretary of state;

(Q) Investigate and determine the residence qualifications of electors;

(R) Administer oaths in matters pertaining to the administration of the election laws;

(S) Prepare and submit to the secretary of state, whenever the secretary of state requires, a report containing the names and residence addresses of all incumbent county, municipal, township, and board of education officials serving in their respective counties;

(T) Establish and maintain a voter registration database of all qualified electors in the county who offer to register;

(U) Maintain voter registration records, make reports concerning voter registration as required by the secretary of state, and remove ineligible electors from voter registration lists in accordance with law and directives of the secretary of state;

(V) Give approval to ballot language for any local question or issue and transmit the language to the secretary of state for the secretary of state's final approval;

(W) Prepare and cause the following notice to be displayed in a prominent location in every polling place:

"NOTICE

Ohio law prohibits any person from voting or attempting to vote more than once at the same election.

Violators are guilty of a felony of the fourth degree and shall be imprisoned and additionally may be fined in accordance with law."

(X) In all cases of a tie vote or a disagreement in the board, if no decision can be arrived at, the director or chairperson shall submit the matter in controversy, not later than fourteen days after the tie vote or the disagreement, to the secretary of state, who shall summarily decide the question, and the secretary of state's decision shall be final.

(Y) Assist each designated agency, deputy registrar of motor vehicles, public high school and vocational school, public library, and office of a county treasurer in the implementation of a program for registering voters at all voter registration locations as prescribed by the secretary of state. Under this program, each board of elections shall direct to the appropriate board of elections any voter registration applications for persons residing outside the county where the board is located within five days after receiving the applications.

(Z) On any day on which an elector may vote in person at the office of the board or at another site designated by the board, consider the board or other designated site a polling place for that day. All requirements or prohibitions of law that apply to a polling place shall apply to the office of the board or other designated site on that day.

Sec. 3501.17. (A) The expenses of the board of elections shall be paid from the county treasury, in pursuance of appropriations by the board of county commissioners, in the same manner as other county expenses are paid. If the board of county commissioners fails to appropriate an amount sufficient to provide for the necessary and proper expenses of the board of elections pertaining to the conduct of elections, the board of elections may apply to the court of common pleas within the county, which shall fix the amount necessary to be appropriated and the amount shall be appropriated. Payments shall be made upon vouchers of the board of elections certified to by its chairperson or acting chairperson and the director or deputy director, upon warrants of the county auditor.

The board of elections shall not incur any obligation involving the expenditure of money unless there are moneys sufficient in the funds appropriated therefor to meet the obligation. If the board of elections requests a transfer of funds from one of its appropriation items to another, the board of county commissioners shall adopt a resolution providing for the transfer except as otherwise provided in section 5705.40 of the Revised Code. The expenses of the board of elections shall be apportioned among the county and the various subdivisions as provided in this section, and the amount chargeable to each subdivision shall be withheld by the auditor from

the moneys payable thereto at the time of the next tax settlement. At the time of submitting budget estimates in each year, the board of elections shall submit to the taxing authority of each subdivision, upon the request of the subdivision, an estimate of the amount to be withheld from the subdivision during the next fiscal year.

(B) Except as otherwise provided in division (F) of this section, the ~~entire~~ compensation of the members of the board of elections and of the director, deputy director, and ~~other~~ regular employees in the board's offices, other than compensation for overtime worked; the expenditures for the rental, furnishing, and equipping of the office of the board and for the necessary office supplies for the use of the board; the expenditures for the acquisition, repair, care, and custody of the polling places, booths, guardrails, and other equipment for polling places; the cost of ~~pollbooks~~, tally sheets, maps, flags, ballot boxes, and all other permanent records and equipment; the cost of all elections held in and for the state and county; and all other expenses of the board which are not chargeable to a political subdivision in accordance with this section shall be paid in the same manner as other county expenses are paid.

(C) The compensation of judges ~~and clerks~~ of elections and intermittent employees in the board's offices; the cost of renting, moving, heating, and lighting polling places and of placing and removing ballot boxes and other fixtures and equipment thereof, including voting machines, marking devices, and automatic tabulating equipment; the cost of printing and delivering ballots, cards of instructions, registration lists required under section 3503.23 of the Revised Code, and other election supplies, including the supplies required to comply with division (H) of section 3506.01 of the Revised Code; the cost of contractors engaged by the board to prepare, program, test, and operate voting machines, marking devices, and automatic tabulating equipment; and all other expenses of conducting primaries and elections in the odd-numbered years shall be charged to the subdivisions in and for which such primaries or elections are held. The charge for each primary or general election in odd-numbered years for each subdivision shall be determined in the following manner: first, the total cost of all chargeable items used in conducting such elections shall be ascertained; second, the total charge shall be divided by the number of precincts participating in such election, in order to fix the cost per precinct; third, the cost per precinct shall be prorated by the board of elections to the subdivisions conducting elections for the nomination or election of offices in such precinct; fourth, the total cost for each subdivision shall be determined by adding the charges prorated to it in each precinct within the

subdivision.

(D) The entire cost of special elections held on a day other than the day of a primary or general election, both in odd-numbered or in even-numbered years, shall be charged to the subdivision. Where a special election is held on the same day as a primary or general election in an even-numbered year, the subdivision submitting the special election shall be charged only for the cost of ballots and advertising. Where a special election is held on the same day as a primary or general election in an odd-numbered year, the subdivision submitting the special election shall be charged for the cost of ballots and advertising for such special election, in addition to the charges prorated to such subdivision for the election or nomination of candidates in each precinct within the subdivision, as set forth in the preceding paragraph.

(E) Where a special election is held on the day specified by division (E) of section 3501.01 of the Revised Code for the holding of a primary election, for the purpose of submitting to the voters of the state constitutional amendments proposed by the general assembly, and a subdivision conducts a special election on the same day, the entire cost of the special election shall be divided proportionally between the state and the subdivision based upon a ratio determined by the number of issues placed on the ballot by each, except as otherwise provided in division (G) of this section. Such proportional division of cost shall be made only to the extent funds are available for such purpose from amounts appropriated by the general assembly to the secretary of state. If a primary election is also being conducted in the subdivision, the costs shall be apportioned as otherwise provided in this section.

(F) When a precinct is open during a general, primary, or special election solely for the purpose of submitting to the voters a statewide ballot issue, the state shall bear the entire cost of the election in that precinct and shall reimburse the county for all expenses incurred in opening the precinct.

(G) The state shall bear the entire cost of advertising in newspapers statewide ballot issues, explanations of those issues, and arguments for or against those issues, as required by Section 1g of Article II and Section 1 of Article XVI, Ohio Constitution, and any other section of law ~~and~~. The Ohio ballot board shall reimburse the counties secretary of state for all expenses they incur the secretary of state incurs for such advertising under division (G) of section 3505.062 of the Revised Code.

(H) The cost of renting, heating, and lighting registration places; the cost of the necessary books, forms, and supplies for the conduct of registration; and the cost of printing and posting precinct registration lists shall be charged to the subdivision in which such registration is held.

(I) At the request of a majority of the members of the board of elections, the board of county commissioners may, by resolution, establish an elections revenue fund. Except as otherwise provided in this division, the purpose of the fund shall be to accumulate revenue withheld by or paid to the county under this section for the payment of any expense related to the duties of the board of elections specified in section 3501.11 of the Revised Code, upon approval of a majority of the members of the board of elections. The fund shall not accumulate any revenue withheld by or paid to the county under this section for the compensation of the members of the board of elections or of the director, deputy director, or other regular employees in the board's offices, other than compensation for overtime worked.

Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the Revised Code, the board of county commissioners may, by resolution, transfer money to the elections revenue fund from any other fund of the political subdivision from which such payments lawfully may be made. Following an affirmative vote of a majority of the members of the board of elections, the board of county commissioners may, by resolution, rescind an elections revenue fund established under this division. If an elections revenue fund is rescinded, money that has accumulated in the fund shall be transferred to the county general fund.

(J) As used in this section, "statewide:

(1) "Political subdivision" and "subdivision" mean any board of county commissioners, board of township trustees, legislative authority of a municipal corporation, board of education, or any other board, commission, district, or authority that is empowered to levy taxes or permitted to receive the proceeds of a tax levy, regardless of whether the entity receives tax settlement moneys as described in division (A) of this section;

(2) "Statewide ballot issue" means any ballot issue, whether proposed by the general assembly or by initiative or referendum, that is submitted to the voters throughout the state.

Sec. 3501.31. The board of elections shall mail to each precinct election official notice of the date, hours, and place of holding each election in the official's respective precinct at which it desires the official to serve. Each of such officials shall notify the board immediately upon receipt of such notice of any inability to serve.

The election official designated as presiding judge under section 3501.22 of the Revised Code shall call at the office of the board at such time before the day of the election, not earlier than the tenth day before the day of the election, as the board designates to obtain the ballots, pollbooks, registration forms and lists, and other material to be used in the official's

polling place on election day.

The board may also provide for the delivery of such materials to polling places in a municipal corporation by members of the police department of such municipal corporation; or the board may provide for the delivery of such materials to the presiding judge not earlier than the tenth day before the election, in any manner it finds to be advisable.

On election day the precinct election officials shall punctually attend the polling place one-half hour before the time fixed for opening the polls. Each of the precinct election officials shall thereupon make and subscribe to a statement which shall be as follows:

"State of Ohio

County of

I do solemnly swear under the penalty of perjury that I will support the constitution of the United States of America and the constitution of the state of Ohio and its laws; that I have not been convicted of a felony or any violation of the election laws; that I will discharge to the best of my ability the duties of (~~judge or clerk~~) judge of election in and for precinct in the (township) or (ward and city or village) in the county of, in the election to be held on the day of,, as required by law and the rules and instructions of the board of elections of said county; and that I will endeavor to prevent fraud in such election, and will report immediately to said board any violations of the election laws which come to my attention, and will not disclose any information as to how any elector voted which is gained by me in the discharge of my official duties.

.....
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.....
.....

(Signatures of precinct election officials)"

If any of the other precinct officials is absent at that time, the presiding judge, with the concurrence of a majority of the precinct election officials present, shall appoint a qualified elector who is a member of the same political party as the political party of which such absent precinct election official is a member to fill the vacancy until the board appoints a person to fill such vacancy and the person so appointed reports for duty at the polling place. The presiding judge shall promptly notify the board of such vacancy by telephone or otherwise. The presiding judge also shall assign the precinct

election officials to their respective duties and shall have general charge of the polling place.

Sec. 3503.09. (A)(1) The secretary of state shall adopt rules for the electronic transmission by boards of elections, designated agencies, offices of deputy registrars of motor vehicles, public high schools and vocational schools, public libraries, and offices of county treasurers, where applicable, of name and residence changes for voter registration records in the statewide voter registration database.

(2) The secretary of state shall adopt rules for the purpose of improving the speed of processing new voter registrations that permit information from a voter registration application received by a designated agency or an office of deputy registrar of motor vehicles to be made available electronically, in addition to requiring the original voter registration application to be transmitted to the applicable board of elections under division (E)(2) of section 3503.10 or section 3503.11 of the Revised Code.

(B) Rules adopted under division (A) of this section shall do all of the following:

(1) Prohibit any direct electronic connection between a designated agency, office of deputy registrar of motor vehicles, public high school or vocational school, public library, or office of a county treasurer and the statewide voter registration database:

(2) Require any updated voter registration information to be verified by the secretary of state or a board of elections before the information is added to the statewide voter registration database for the purpose of modifying an existing voter registration:

(3) Require each designated agency or office of deputy registrar of motor vehicles that transmits voter registration information electronically to transmit an identifier for data relating to each new voter registration that shall be used by the secretary of state or a board of elections to match the electronic data to the original voter registration application.

Sec. 3505.062. The Ohio ballot board shall do all of the following:

(A) Examine, within ten days after its receipt, each written initiative petition received from the attorney general under section 3519.01 of the Revised Code to determine whether it contains only one proposed law or constitutional amendment so as to enable the voters to vote on a proposal separately. If the board so determines, it shall certify its approval to the attorney general, who then shall file with the secretary of state in accordance with division (A) of section 3519.01 of the Revised Code a verified copy of the proposed law or constitutional amendment together with its summary and the attorney general's certification of it.

If the board determines that the initiative petition contains more than one proposed law or constitutional amendment, the board shall divide the initiative petition into individual petitions containing only one proposed law or constitutional amendment so as to enable the voters to vote on each proposal separately and certify its approval to the attorney general. If the board so divides an initiative petition and so certifies its approval to the attorney general, the petitioners shall resubmit to the attorney general appropriate summaries for each of the individual petitions arising from the board's division of the initiative petition, and the attorney general then shall review the resubmissions as provided in division (A) of section 3519.01 of the Revised Code.

(B) Prescribe the ballot language for constitutional amendments proposed by the general assembly to be printed on the questions and issues ballot, which language shall properly identify the substance of the proposal to be voted upon;

(C) Prepare an explanation of each constitutional amendment proposed by the general assembly, which explanation may include the purpose and effects of the proposed amendment;

(D) Certify the ballot language and explanation, if any, to the secretary of state no later than seventy-five days before the election at which the proposed question or issue is to be submitted to the voters;

(E) Prepare, or designate a group of persons to prepare, arguments in support of or in opposition to a constitutional amendment proposed by a resolution of the general assembly, a constitutional amendment or state law proposed by initiative petition, or a state law, or section or item of state law, subject to a referendum petition, if the persons otherwise responsible for the preparation of those arguments fail to timely prepare and file them;

(F) Direct the means by which the secretary of state shall disseminate information concerning proposed constitutional amendments, proposed laws, and referenda to the voters;

~~(G) Direct the chairperson to reimburse county boards of elections for public notice costs associated with statewide ballot issues, to the extent that the general assembly appropriates money for that purpose~~ secretary of state to contract for the publication in a newspaper of general circulation in each county in the state of the ballot language, explanations, and arguments regarding each of the following:

(1) A constitutional amendment or law proposed by initiative petition under Section 1g of Article II of the Ohio Constitution;

(2) A law, section, or item of law submitted to the electors by referendum petition under Section 1g of Article II of the Ohio Constitution;

(3) A constitutional amendment submitted to the electors by the general assembly under Section 1 of Article XVI of the Ohio Constitution.

Sec. 3505.063. (A) When the general assembly adopts a resolution proposing a constitutional amendment, it may, by resolution, designate a group of members who voted in support of the resolution to prepare arguments for the proposed amendment, and a group of members who voted in opposition to the resolution to prepare arguments against the proposed amendment. If no members voted in opposition to the resolution, or if the general assembly chooses not to designate a group of members to prepare arguments for the proposed amendment or chooses not to designate a group of members to prepare arguments against the proposed amendment, the Ohio ballot board shall prepare or designate a group of persons to prepare the relevant arguments. All arguments prepared under this division shall be filed with the secretary of state not later than eighty days before the date of the election. No argument shall exceed three hundred words.

(B)(1) If the group of members of the general assembly or other group of persons designated under division (A) of this section fail to prepare and file their arguments in support of or in opposition to the proposed amendment by the eightieth day before the date of the election, the secretary of state shall notify the Ohio ballot board that those arguments have not been so prepared and filed. The board then shall prepare the missing arguments or designate a group of persons to prepare those arguments. All arguments prepared under this division shall be filed with the secretary of state not later than seventy-five days before the date of the election. No argument shall exceed three hundred words.

(2) If the Ohio ballot board fails to provide for the preparation of missing arguments under division (B)(1) of this section after being notified by the secretary of state that one or more arguments have not been timely prepared and filed, the positions of the four appointed members of the board shall be considered vacant, and new members shall be appointed in the manner provided for original appointments.

~~(C) The secretary of state shall disseminate information, which may include part or all of the official explanation and arguments concerning proposed amendments, by means of direct mail or other written publication, broadcast, or other means or combination of means, as the Ohio ballot board may direct, in order to inform the voters as fully as possible concerning proposed amendments.~~

Sec. 3505.23. No voter shall be allowed to occupy a voting compartment or use a voting machine more than five minutes when all the voting compartments or machines are in use and voters are waiting to

occupy them. Except as otherwise provided by section 3505.24 of the Revised Code, no voter shall occupy a voting compartment or machine with another person or speak to anyone, nor shall anyone speak to the voter, while the voter is in a voting compartment or machine.

In precincts that do not use voting machines the following procedure shall be followed:

If a voter tears, soils, defaces, or erroneously marks a ballot the voter may return it to the precinct election officials and a second ballot shall be issued to the voter. Before returning a torn, soiled, defaced, or erroneously marked ballot, the voter shall fold it so as to conceal any marks the voter made upon it, but the voter shall not remove Stub A therefrom. If the voter tears, soils, defaces, or erroneously marks such second ballot, the voter may return it to the precinct election officials, and a third ballot shall be issued to the voter. In no case shall more than three ballots be issued to a voter. Upon receiving a returned torn, soiled, defaced, or erroneously marked ballot the precinct election officials shall detach Stub A therefrom, write "Defaced" on the back of such ballot, and place the stub and the ballot in the separate containers provided therefor.

No elector shall leave the polling place until the elector returns to the precinct election officials every ballot issued to the elector with Stub A on each ballot attached thereto, regardless of whether the elector has or has not placed any marks upon the ballot.

Before leaving the voting compartment, the voter shall fold each ballot marked by the voter so that no part of the face of the ballot is visible, and so that the printing thereon indicating the kind of ballot it is and the facsimile signatures of the members of the board of elections are visible. The voter shall then leave the voting compartment, deliver the voter's ballots, and state the voter's name to the judge having charge of the ballot boxes, who shall announce the name, detach Stub A from each ballot, and announce the number on the stubs. The ~~clerks~~ judges in charge of the poll lists or poll books shall check to ascertain whether the number so announced is the number on Stub B of the ballots issued to such voter, and if no discrepancy appears to exist, the judge in charge of the ballot boxes shall, in the presence of the voter, deposit each such ballot in the proper ballot box and shall place Stub A from each ballot in the container provided therefor. The voter shall then immediately leave the polling place.

No ballot delivered by a voter to the judge in charge of the ballot boxes with Stub A detached therefrom, and only ballots provided in accordance with Title XXXV of the Revised Code, shall be voted or deposited in the ballot boxes.

In marking a presidential ballot, the voter shall record the vote in the manner provided on the ballot next to the names of the candidates for the offices of president and vice-president. Such ballot shall be considered and counted as a vote for each of the candidates for election as presidential elector whose names were certified to the secretary of state by the political party of such nominees for president and vice-president.

In marking an office type ballot or nonpartisan ballot, the voter shall record the vote in the manner provided on the ballot next to the name of each candidate for whom the voter desires to vote.

In marking a primary election ballot, the voter shall record the vote in the manner provided on the ballot next to the name of each candidate for whom the voter desires to vote. If the voter desires to vote for the nomination of a person whose name is not printed on the primary election ballot, the voter may do so by writing such person's name on the ballot in the proper place provided for such purpose.

In marking a questions and issues ballot, the voter shall record the vote in the manner provided on the ballot at the left or at the right of "YES" or "NO" or other words of similar import which are printed on the ballot to enable the voter to indicate how the voter votes in connection with each question or issue upon which the voter desires to vote.

In marking any ballot on which a blank space has been provided wherein an elector may write in the name of a person for whom ~~he~~ the elector desires to vote, the elector shall write such person's name in such blank space and on no other place on the ballot. Unless specific provision is made by statute, no blank space shall be provided on a ballot for write-in votes, and any names written on a ballot other than in a blank space provided therefor shall not be counted or recorded.

Sec. 3509.08. (A) Any qualified elector, who, on account of the elector's own personal illness, physical disability, or infirmity, or on account of the elector's confinement in a jail or workhouse under sentence for a misdemeanor or awaiting trial on a felony or misdemeanor, will be unable to travel from the elector's home or place of confinement to the voting booth in the elector's precinct on the day of any general, special, or primary election may make application in writing for an absent voter's ballot to the director of the board of elections of the elector's county. The application shall include all of the information required under section 3509.03 of the Revised Code and shall state the nature of the elector's illness, physical disability, or infirmity, or the fact that the elector is confined in a jail or workhouse and the elector's resultant inability to travel to the election booth in the elector's precinct on election day. The application shall not be valid if it is delivered

to the director before the ninetieth day or after twelve noon of the third day before the day of the election at which the ballot is to be voted.

The absent voter's ballot may be mailed directly to the applicant at the applicant's voting residence or place of confinement as stated in the applicant's application, or the board may designate two board employees belonging to the two major political parties for the purpose of delivering the ballot to the disabled or confined elector and returning it to the board, unless the applicant is confined to a public or private institution within the county, in which case the board shall designate two board employees belonging to the two major political parties for the purpose of delivering the ballot to the disabled or confined elector and returning it to the board. In all other instances, the ballot shall be returned to the office of the board in the manner prescribed in section 3509.05 of the Revised Code.

Any disabled or confined elector who declares to the two board employees belonging to the two major political parties that the elector is unable to mark the elector's ballot by reason of physical infirmity that is apparent to the employees to be sufficient to incapacitate the voter from marking the elector's ballot properly, may receive, upon request, the assistance of the employees in marking the elector's ballot, and they shall thereafter give no information in regard to this matter. Such assistance shall not be rendered for any other cause.

When two board employees belonging to the two major political parties deliver a ballot to a disabled or confined elector, each of the employees shall be present when the ballot is delivered, when assistance is given, and when the ballot is returned to the office of the board, and shall subscribe to the declaration on the identification envelope.

The secretary of state shall prescribe the form of application for absent voter's ballots under this division.

This chapter applies to disabled and confined absent voter's ballots except as otherwise provided in this section.

(B)(1) Any qualified elector who is unable to travel to the voting booth in the elector's precinct on the day of any general, special, or primary election ~~because of being~~ may apply to the director of the board of elections of the county where the elector is a qualified elector to vote in the election by absent voter's ballot if either of the following apply:

(a) The elector is confined in a hospital as a result of an accident or unforeseeable medical emergency occurring before the election, ~~may apply to the director of the board of elections of the county where the elector is a qualified elector to vote in the election by absent voter's ballot. This application;~~

(b) The elector's minor child is confined in a hospital as a result of an accident or unforeseeable medical emergency occurring before the election.

(2) The application authorized under division (B)(1) of this section shall be made in writing, shall include all of the information required under section 3509.03 of the Revised Code, and shall be delivered to the director not later than three p.m. on the day of the election. The application shall indicate the hospital where the applicant or the applicant's child is confined, the date of the applicant's or the applicant's child's admission to the hospital, and the offices for which the applicant is qualified to vote. The applicant may also request that a member of the applicant's family, as listed in section 3509.05 of the Revised Code, deliver the absent voter's ballot to the applicant. The director, after establishing to the director's satisfaction the validity of the circumstances claimed by the applicant, shall supply an absent voter's ballot to be delivered to the applicant. When the applicant or the applicant's child is in a hospital in the county where the applicant is a qualified elector and no request is made for a member of the family to deliver the ballot, the director shall arrange for the delivery of an absent voter's ballot to the applicant, and for its return to the office of the board, by two board employees belonging to the two major political parties according to the procedures prescribed in division (A) of this section. When the applicant or the applicant's child is in a hospital outside the county where the applicant is a qualified elector and no request is made for a member of the family to deliver the ballot, the director shall arrange for the delivery of an absent voter's ballot to the applicant by mail, and the ballot shall be returned to the office of the board in the manner prescribed in section 3509.05 of the Revised Code.

~~(2)~~(3) Any qualified elector who is eligible to vote under division (B) or (C) of section 3503.16 of the Revised Code but is unable to do so because of the circumstances described in division ~~(B)(1)~~(2) of this section may vote in accordance with division (B)(1) of this section if that qualified elector states in the application for absent voter's ballots that that qualified elector moved or had a change of name under the circumstances described in division (B) or (C) of section 3503.16 of the Revised Code and if that qualified elector complies with divisions (G)(1) to (4) of section 3503.16 of the Revised Code.

(C) Any qualified elector described in division (A) or (B)(1) of this section who needs no assistance to vote or to return absent voter's ballots to the board of elections may apply for absent voter's ballots under section 3509.03 of the Revised Code instead of applying for them under this section.

Sec. 3513.21. At the close of the polls in a primary election, the judges ~~and clerks~~ of election shall proceed without delay to canvass the vote, sign and seal it, and make returns thereof to the board of elections forthwith on the forms to be provided by the board. The provisions of Title XXXV of the Revised Code relating to the accounting for and return of all ballots at general elections apply to primary ballots.

If there is any disagreement as to how a ballot should be counted it shall be submitted to all of the judges. If three of the judges do not agree as to how any part of the ballot shall be counted, that part of such ballot which three of the judges do agree shall be counted and a notation made upon the ballot indicating what part has not been counted, and shall be placed in an envelope provided for that purpose, marked "Disputed Ballots" and returned to the board. ~~When the board has, by the adoption of a resolution, provided that the officials at a party primary election when only one party primary is to be held for the nomination of candidates for municipal office, shall be two judges and two clerks, the clerks shall be considered judges for the purposes of this section.~~

The board shall, on the day when the vote is canvassed, open such sealed envelopes, determine what ballots and for whom they should be counted, and proceed to count and tally the votes on such ballots.

Sec. 3517.093. (A) As used in this section:

(1) "Family member of the holder of the state contract" means both of the following:

(a) The spouse of any person identified in division (A)(3) of this section;

(b) Any child seven years of age through seventeen years of age of any person identified in division (A)(3) of this section.

(2) "Holder of the public office with ultimate responsibility for the award of the contract" means all of the following:

(a) The governor and lieutenant governor, if the contract is awarded by the office of the governor;

(b) The governor, if the governor appoints a public officer who is responsible for the award of the contract, whether or not the appointment is subject to the advice and consent of the senate;

(c) The secretary of state, auditor of state, treasurer of state, and attorney general, if the contract is awarded by the respective office;

(d) The president of the senate, if the contract is awarded by the senate;

(e) The speaker of the house of representatives, if the contract is awarded by the house of representatives.

(3) "Holder of the state contract" means any of the following:

- (a) An individual who has been awarded a state contract;
- (b) Any partner or owner of a partnership or other unincorporated business that has been awarded a state contract;
- (c) Any shareholder of an association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, that has been awarded a state contract;
- (d) Any administrator of an estate that has been awarded a state contract;
- (e) Any executor of an estate that has been awarded a state contract;
- (f) Any trustee of a trust that has been awarded a state contract;
- (g) Any owner of more than twenty per cent of a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, that has been awarded a state contract.
- (h) In the case of a collective bargaining agreement with a labor organization representing employees where the holder of the public office with ultimate responsibility for the award of the state contract is a state official, the labor organization.

(4) "State contract" means a contract awarded by ~~any agency or department of this state, the administrator of workers' compensation, or the employees of the bureau of workers' compensation~~ the holder of the public office with ultimate responsibility for the award of the contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars.

For the purposes of division (A)(4) of this section, ~~a:~~

(a) A contract for the purchase of services includes collective bargaining agreements with a labor organization representing employees where the holder of the public office with ultimate responsibility for the award of the agreement is a state official.

(b) A contract shall be considered to be a contract for the purchase of goods or a contract for the purchase of services if the contract constitutes a contract for the purchase of goods or a contract for the purchase of services under the rules adopted by the secretary of state under division (L)(1)(c) of section 3517.13 of the Revised Code.

(5) "Electioneering communication" has the same meaning as in section 3517.1011 of the Revised Code.

(B) Beginning on the date a state contract is awarded and extending until one year following the conclusion of that contract, the holder of the public office with ultimate responsibility for the award of the contract, that officeholder's campaign committee, and any person acting on behalf of that officeholder shall not solicit a contribution from or direct a contribution by

the holder of the state contract or a family member of the holder of the state contract to any of the following:

- (1) Any candidate or the campaign committee of any candidate;
- (2) A political party;
- (3) A ballot issue committee or a political action committee or other entity the primary purpose of which is to support or oppose any ballot issue or question that will be presented to voters throughout the entire state;
- (4) A legislative campaign fund;
- (5) Any person that the holder of the public office knows or should know has done either of the following during the current calendar year or during the two previous calendar years:

- (a) Made a disbursement or disbursements for the direct costs of producing or airing electioneering communications;

- (b) Made a disbursement or disbursements for the direct costs of producing or airing communications that, if made in Ohio, would constitute electioneering communications.

(C) No candidate, campaign committee, political party, ballot issue committee, political action committee, legislative campaign fund, person, or other entity shall knowingly accept a contribution that is solicited or directed in violation of division (B) of this section.

(D) Division (B) of this section does not apply to solicitations made by the holder of the public office with ultimate responsibility for the award of the contract, that officeholder's campaign committee, or any person acting on behalf of that officeholder for contributions to the officeholder's campaign committee.

(E)(1) Division (B) of this section does not apply to solicitations of contributions from or the directing of contributions by the holder of the state contract before the person became a partner or owner of the partnership or other unincorporated business, shareholder of the association, administrator of the estate, executor of the estate, trustee of the trust, or owner of more than twenty per cent of a corporation or business trust or after the person ceased to hold any of those positions.

(2) Division (B) of this section does not apply to solicitations of contributions from or the directing of contributions by a spouse of the holder of the state contract in any of the following circumstances:

- (a) Before the holder of the state contract became a partner or owner of the partnership or other unincorporated business, shareholder of the association, administrator of the estate, executor of the estate, trustee of the trust, or owner of more than twenty per cent of a corporation or business trust;

(b) After the holder of the state contract ceased to be a partner or owner of the partnership or other unincorporated business, shareholder of the association, administrator of the estate, executor of the estate, trustee of the trust, or owner of more than twenty per cent of a corporation or business trust;

(c) Before the two were married;

(d) After the granting of a decree of divorce, dissolution of marriage, or annulment;

(e) After the granting of an order in an action brought solely for legal separation.

(3) Division (B) of this section does not apply to solicitations of contributions from or the directing of contributions by a child seven years of age through seventeen years of age of the holder of the state contract in either of the following circumstances:

(a) Before the holder of the state contract became a partner or owner of the partnership or other unincorporated business, shareholder of the association, administrator of the estate, executor of the estate, trustee of the trust, or owner of more than twenty per cent of a corporation or business trust;

(b) After the holder of the state contract ceased to be a partner or owner of the partnership or other unincorporated business, shareholder of the association, administrator of the estate, executor of the estate, trustee of the trust, or owner of more than twenty per cent of a corporation or business trust.

Sec. 3517.106. (A) As used in this section:

(1) "Statewide office" means any of the offices of governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, attorney general, chief justice of the supreme court, and justice of the supreme court.

(2) "Addendum to a statement" includes an amendment or other correction to that statement.

(B)(1) The secretary of state shall store on computer the information contained in statements of contributions and expenditures and monthly statements required to be filed under section 3517.10 of the Revised Code and in statements of independent expenditures required to be filed under section 3517.105 of the Revised Code by any of the following:

(a) The campaign committees of candidates for statewide office;

(b) The political action committees and political contributing entities described in division (A)(1) of section 3517.11 of the Revised Code;

(c) Legislative campaign funds;

(d) State political parties;

(e) Individuals, partnerships, corporations, labor organizations, or other entities that make independent expenditures in support of or opposition to a statewide candidate or a statewide ballot issue or question;

(f) The campaign committees of candidates for the office of member of the general assembly;

(g) County political parties, with respect to their state candidate funds.

(2) The secretary of state shall store on computer the information contained in disclosure of electioneering communications statements required to be filed under section 3517.1011 of the Revised Code.

(3) The secretary of state shall store on computer the information contained in deposit and disbursement statements required to be filed with the office of the secretary of state under section 3517.1012 of the Revised Code.

(4) The secretary of state shall store on computer the gift and disbursement information contained in statements required to be filed with the office of the secretary of state under section 3517.1013 of the Revised Code.

(C)(1) The secretary of state shall make available to the campaign committees, political action committees, political contributing entities, legislative campaign funds, political parties, individuals, partnerships, corporations, labor organizations, and other entities described in division (B) of this section, and to members of the news media and other interested persons, for a reasonable fee, computer programs that are compatible with the secretary of state's method of storing the information contained in the statements.

(2) The secretary of state shall make the information required to be stored under division (B) of this section available on computer at the secretary of state's office so that, to the maximum extent feasible, individuals may obtain at the secretary of state's office any part or all of that information for any given year, subject to the limitation expressed in division (D) of this section.

(D) The secretary of state shall keep the information stored on computer under division (B) of this section for at least six years.

(E)(1) Subject to division (L) of this section and subject to the secretary of state having implemented, tested, and verified the successful operation of any system the secretary of state prescribes pursuant to division (H)(1) of this section and divisions (C)(6)(b) and (D)(6) of section 3517.10 of the Revised Code for the filing of campaign finance statements by electronic means of transmission, the campaign committee of each candidate for statewide office may file the statements prescribed by section 3517.10 of the

Revised Code by electronic means of transmission or, if the total amount of the contributions received or the total amount of the expenditures made by the campaign committee for the applicable reporting period as specified in division (A) of section 3517.10 of the Revised Code exceeds ten thousand dollars, shall file those statements by electronic means of transmission.

Except as otherwise provided in this division, within five business days after a statement filed by a campaign committee of a candidate for statewide office is received by the secretary of state by electronic or other means of transmission, the secretary of state shall make available online to the public through the internet, as provided in division (I) of this section, the contribution and expenditure information in that statement. The secretary of state shall not make available online to the public through the internet any contribution or expenditure information contained in a statement for any candidate until the secretary of state is able to make available online to the public through the internet the contribution and expenditure information for all candidates for a particular office, or until the applicable filing deadline for that statement has passed, whichever is sooner. As soon as the secretary of state has available all of the contribution and expenditure information for all candidates for a particular office, or as soon as the applicable filing deadline for a statement has passed, whichever is sooner, the secretary of state shall simultaneously make available online to the public through the internet the information for all candidates for that office.

If a statement filed by electronic means of transmission is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy pursuant to division (B)(3)(a) of section 3517.11 of the Revised Code, the campaign committee shall file by electronic means of transmission any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the secretary of state under that division, an amended statement.

Within five business days after the secretary of state receives from a campaign committee of a candidate for statewide office an addendum to the statement or an amended statement by electronic or other means of transmission under this division or division (B)(3)(a) of section 3517.11 of the Revised Code, the secretary of state shall make the contribution and expenditure information in the addendum or amended statement available online to the public through the internet as provided in division (I) of this section.

(2) Subject to the secretary of state having implemented, tested, and verified the successful operation of any system the secretary of state prescribes pursuant to division (H)(1) of this section and divisions (C)(6)(b)

and (D)(6) of section 3517.10 of the Revised Code for the filing of campaign finance statements by electronic means of transmission, a political action committee and a political contributing entity described in division (B)(1)(b) of this section, a legislative campaign fund, and a state political party may file the statements prescribed by section 3517.10 of the Revised Code by electronic means of transmission or, if the total amount of the contributions received or the total amount of the expenditures made by the political action committee, political contributing entity, legislative campaign fund, or state political party for the applicable reporting period as specified in division (A) of section 3517.10 of the Revised Code exceeds ten thousand dollars, shall file those statements by electronic means of transmission.

Within five business days after a statement filed by a political action committee or a political contributing entity described in division (B)(1)(b) of this section, a legislative campaign fund, or a state political party is received by the secretary of state by electronic or other means of transmission, the secretary of state shall make available online to the public through the internet, as provided in division (I) of this section, the contribution and expenditure information in that statement.

If a statement filed by electronic means of transmission is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy pursuant to division (B)(3)(a) of section 3517.11 of the Revised Code, the political action committee, political contributing entity, legislative campaign fund, or state political party shall file by electronic means of transmission any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the secretary of state under that division, an amended statement.

Within five business days after the secretary of state receives from a political action committee or a political contributing entity described in division (B)(1)(b) of this section, a legislative campaign fund, or a state political party an addendum to the statement or an amended statement by electronic or other means of transmission under this division or division (B)(3)(a) of section 3517.11 of the Revised Code, the secretary of state shall make the contribution and expenditure information in the addendum or amended statement available online to the public through the internet as provided in division (I) of this section.

(3) Subject to the secretary of state having implemented, tested, and verified the successful operation of any system the secretary of state prescribes pursuant to division (H)(1) of this section and divisions (C)(6)(b) and (D)(6) of section 3517.10 of the Revised Code for the filing of

campaign finance statements by electronic means of transmission, a county political party shall file the statements prescribed by section 3517.10 of the Revised Code with respect to its state candidate fund by electronic means of transmission to the office of the secretary of state.

Within five business days after a statement filed by a county political party with respect to its state candidate fund is received by the secretary of state by electronic means of transmission, the secretary of state shall make available online to the public through the internet, as provided in division (I) of this section, the contribution and expenditure information in that statement.

If a statement is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy pursuant to division (B)(3)(a) of section 3517.11 of the Revised Code, a county political party shall file by electronic means of transmission any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the secretary of state under that division, an amended statement.

Within five business days after the secretary of state receives from a county political party an addendum to the statement or an amended statement by electronic means of transmission under this division or division (B)(3)(a) of section 3517.11 of the Revised Code, the secretary of state shall make the contribution and expenditure information in the addendum or amended statement available online to the public through the internet as provided in division (I) of this section.

(F)(1) Subject to division (L) of this section and subject to the secretary of state having implemented, tested, and verified the successful operation of any system the secretary of state prescribes pursuant to division (H)(1) of this section and divisions (C)(6)(b) and (D)(6) of section 3517.10 of the Revised Code for the filing of campaign finance statements by electronic means of transmission, a campaign committee of a candidate for the office of member of the general assembly or a campaign committee of a candidate for the office of judge of a court of appeals may file the statements prescribed by section 3517.10 of the Revised Code in accordance with division (A)(2) of section 3517.11 of the Revised Code or by electronic means of transmission to the office of the secretary of state or, if the total amount of the contributions received by the campaign committee for the applicable reporting period as specified in division (A) of section 3517.10 of the Revised Code exceeds ten thousand dollars, shall file those statements by electronic means of transmission to the office of the secretary of state.

Except as otherwise provided in this division, within five business days

after a statement filed by a campaign committee of a candidate for the office of member of the general assembly or a campaign committee of a candidate for the office of judge of a court of appeals is received by the secretary of state by electronic or other means of transmission, the secretary of state shall make available online to the public through the internet, as provided in division (I) of this section, the contribution and expenditure information in that statement. The secretary of state shall not make available online to the public through the internet any contribution or expenditure information contained in a statement for any candidate until the secretary of state is able to make available online to the public through the internet the contribution and expenditure information for all candidates for a particular office, or until the applicable filing deadline for that statement has passed, whichever is sooner. As soon as the secretary of state has available all of the contribution and expenditure information for all candidates for a particular office, or as soon as the applicable filing deadline for a statement has passed, whichever is sooner, the secretary of state shall simultaneously make available online to the public through the internet the information for all candidates for that office.

If a statement filed by electronic means of transmission is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy pursuant to division (B)(3)(a) of section 3517.11 of the Revised Code, the campaign committee shall file by electronic means of transmission to the office of the secretary of state any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the secretary of state under that division, an amended statement.

Within five business days after the secretary of state receives from a campaign committee of a candidate for the office of member of the general assembly or a campaign committee of a candidate for the office of judge of a court of appeals an addendum to the statement or an amended statement by electronic or other means of transmission under this division or division (B)(3)(a) of section 3517.11 of the Revised Code, the secretary of state shall make the contribution and expenditure information in the addendum or amended statement available online to the public through the internet as provided in division (I) of this section.

(2) If a statement, addendum, or amended statement is not filed by electronic means of transmission to the office of the secretary of state but is filed by printed version only under division (A)(2) of section 3517.11 of the Revised Code with the appropriate board of elections, the campaign committee of a candidate for the office of member of the general assembly

or a campaign committee of a candidate for the office of judge of a court of appeals shall file two copies of the printed version of the statement, addendum, or amended statement with the board of elections. The board of elections shall send one of those copies by ~~overnight delivery service~~ certified mail to the secretary of state before the close of business on the day the board of elections receives the statement, addendum, or amended statement.

(G) Subject to the secretary of state having implemented, tested, and verified the successful operation of any system the secretary of state prescribes pursuant to division (H)(1) of this section and divisions (C)(6)(b) and (D)(6) of section 3517.10 of the Revised Code for the filing of campaign finance statements by electronic means of transmission, any individual, partnership, or other entity that makes independent expenditures in support of or opposition to a statewide candidate or a statewide ballot issue or question as provided in division (B)(2)(b) or (C)(2)(b) of section 3517.105 of the Revised Code may file the statement specified in that division by electronic means of transmission or, if the total amount of independent expenditures made during the reporting period under that division exceeds ten thousand dollars, shall file the statement specified in that division by electronic means of transmission.

Within five business days after a statement filed by an individual, partnership, or other entity is received by the secretary of state by electronic or other means of transmission, the secretary of state shall make available online to the public through the internet, as provided in division (I) of this section, the expenditure information in that statement.

If a statement filed by electronic means of transmission is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy pursuant to division (B)(3)(a) of section 3517.11 of the Revised Code, the individual, partnership, or other entity shall file by electronic means of transmission any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the secretary of state under that division, an amended statement.

Within five business days after the secretary of state receives from an individual, partnership, or other entity described in division (B)(2)(b) or (C)(2)(b) of section 3517.105 of the Revised Code an addendum to the statement or an amended statement by electronic or other means of transmission under this division or division (B)(3)(a) of section 3517.11 of the Revised Code, the secretary of state shall make the expenditure information in the addendum or amended statement available online to the

public through the internet as provided in division (I) of this section.

(H)(1) The secretary of state, by rule adopted pursuant to section 3517.23 of the Revised Code, shall prescribe one or more techniques by which a person who executes and transmits by electronic means a statement of contributions and expenditures, a statement of independent expenditures, a disclosure of electioneering communications statement, a deposit and disbursement statement, or a gift and disbursement statement, an addendum to any of those statements, an amended statement of contributions and expenditures, an amended statement of independent expenditures, an amended disclosure of electioneering communications statement, an amended deposit and disbursement statement, or an amended gift and disbursement statement, under this section or section 3517.10, 3517.105, 3517.1011, 3517.1012, or 3517.1013 of the Revised Code shall electronically sign the statement, addendum, or amended statement. Any technique prescribed by the secretary of state pursuant to this division shall create an electronic signature that satisfies all of the following:

(a) It is unique to the signer.

(b) It objectively identifies the signer.

(c) It involves the use of a signature device or other means or method that is under the sole control of the signer and that cannot be readily duplicated or compromised.

(d) It is created and linked to the electronic record to which it relates in a manner that, if the record or signature is intentionally or unintentionally changed after signing, the electronic signature is invalidated.

(2) An electronic signature prescribed by the secretary of state under division (H)(1) of this section shall be attached to or associated with the statement of contributions and expenditures, the statement of independent expenditures, the disclosure of electioneering communications statement, the deposit and disbursement statement, or the gift and disbursement statement, the addendum to any of those statements, the amended statement of contributions and expenditures, the amended statement of independent expenditures, the amended disclosure of electioneering communications statement, the amended deposit and disbursement statement, or the amended gift and disbursement statement that is executed and transmitted by electronic means by the person to whom the electronic signature is attributed. The electronic signature that is attached to or associated with the statement, addendum, or amended statement under this division shall be binding on all persons and for all purposes under the campaign finance reporting law as if the signature had been handwritten in ink on a printed form.

(I) The secretary of state shall make the contribution and expenditure, the contribution and disbursement, the deposit and disbursement, or the gift and disbursement information in all statements, all addenda to the statements, and all amended statements that are filed with the secretary of state by electronic or other means of transmission under this section or section 3517.10, 3517.105, 3517.1011, 3517.1012, 3517.1013, or 3517.11 of the Revised Code available online to the public by any means that are searchable, viewable, and accessible through the internet.

(J)(1) As used in this division, "library" means a library that is open to the public and that is one of the following:

(a) A library that is maintained and regulated under section 715.13 of the Revised Code;

(b) A library that is created, maintained, and regulated under Chapter 3375. of the Revised Code.

(2) The secretary of state shall notify all libraries of the location on the internet at which the contribution and expenditure, contribution and disbursement, deposit and disbursement, or gift and disbursement information in campaign finance statements required to be made available online to the public through the internet pursuant to division (I) of this section may be accessed.

If that location is part of the world wide web and if the secretary of state has notified a library of that world wide web location as required by this division, the library shall include a link to that world wide web location on each internet-connected computer it maintains that is accessible to the public.

(3) If the system the secretary of state prescribes for the filing of campaign finance statements by electronic means of transmission pursuant to division (H)(1) of this section and divisions (C)(6)(b) and (D)(6) of section 3517.10 of the Revised Code includes filing those statements through the internet via the world wide web, the secretary of state shall notify all libraries of the world wide web location at which those statements may be filed.

If those statements may be filed through the internet via the world wide web and if the secretary of state has notified a library of that world wide web location as required by this division, the library shall include a link to that world wide web location on each internet-connected computer it maintains that is accessible to the public.

(K) It is an affirmative defense to a complaint or charge brought against any campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party, any individual,

partnership, or other entity, or any person making disbursements to pay the direct costs of producing or airing electioneering communications, for the failure to file by electronic means of transmission a campaign finance statement as required by this section or section 3517.10, 3517.105, 3517.1011, 3517.1012, or 3517.1013 of the Revised Code that all of the following apply to the campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party, the individual, partnership, or other entity, or the person making disbursements to pay the direct costs of producing or airing electioneering communications, that failed to so file:

(1) The campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party, the individual, partnership, or other entity, or the person making disbursements to pay the direct costs of producing or airing electioneering communications attempted to file by electronic means of transmission the required statement prior to the deadline set forth in the applicable section.

(2) The campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party, the individual, partnership, or other entity, or the person making disbursements to pay the direct costs of producing or airing electioneering communications was unable to file by electronic means of transmission due to an expected or unexpected shutdown of the whole or part of the electronic campaign finance statement-filing system, such as for maintenance or because of hardware, software, or network connection failure.

(3) The campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party, the individual, partnership, or other entity, or the person making disbursements to pay the direct costs of producing or airing electioneering communications filed by electronic means of transmission the required statement within a reasonable period of time after being unable to so file it under the circumstance described in division (K)(2) of this section.

(L)(1) The secretary of state shall adopt rules pursuant to Chapter 119. of the Revised Code to permit a campaign committee of a candidate for statewide office that makes expenditures of less than twenty-five thousand dollars during the filing period or a campaign committee for the office of member of the general assembly or the office of judge of a court of appeals that would otherwise be required to file campaign finance statements by electronic means of transmission under division (E) or (F) of this section to file those statements by paper with the office of the secretary of state. Those rules shall provide for all of the following:

(a) An eligible campaign committee that wishes to file a campaign finance statement by paper instead of by electronic means of transmission shall file the statement on paper with the office of the secretary of state not sooner than twenty-four hours after the end of the filing period set forth in section 3517.10 of the Revised Code that is covered by the applicable statement.

(b) The statement shall be accompanied by a fee, the amount of which the secretary of state shall determine by rule. The amount of the fee established under this division shall not exceed the data entry and data verification costs the secretary of state will incur to convert the information on the statement to an electronic format as required under division (I) of this section.

(c) The secretary of state shall arrange for the information in campaign finance statements filed pursuant to division (L) of this section to be made available online to the public through the internet in the same manner, and at the same times, as information is made available under divisions (E), (F), and (I) of this section for candidates whose campaign committees file those statements by electronic means of transmission.

(d) The candidate of an eligible campaign committee that intends to file a campaign finance statement pursuant to division (L) of this section shall file a notice indicating that the candidate's campaign committee intends to so file and stating that filing the statement by electronic means of transmission would constitute a hardship for the candidate or for the eligible campaign committee.

(e) An eligible campaign committee that files a campaign finance statement on paper pursuant to division (L) of this section shall review the contribution and information made available online by the secretary of state with respect to that paper filing and shall notify the secretary of state of any errors with respect to that filing that appear in the data made available on that web site.

(f) If an eligible campaign committee whose candidate has filed a notice in accordance with rules adopted under division (L)(1)(d) of this section subsequently fails to file that statement on paper by the applicable deadline established in rules adopted under division (L)(1)(a) of this section, penalties for the late filing of the campaign finance statement shall apply to that campaign committee for each day after that paper filing deadline, as if the campaign committee had filed the statement after the applicable deadline set forth in division (A) of section 3517.10 of the Revised Code.

(2) The process for permitting campaign committees that would otherwise be required to file campaign finance statements by electronic

means of transmission to file those statements on paper with the office of the secretary of state that is required to be developed under division (L)(1) of this section shall be in effect and available for use by eligible campaign committees for all campaign finance statements that are required to be filed on or after June 30, 2005. Notwithstanding any provision of the Revised Code to the contrary, if the process the secretary of state is required to develop under division (L)(1) of this section is not in effect and available for use on and after June 30, 2005, all penalties for the failure of campaign committees to file campaign finance statements by electronic means of transmission shall be suspended until such time as that process is in effect and available for use.

(3) Notwithstanding any provision of the Revised Code to the contrary, any eligible campaign committee that files campaign finance statements on paper with the office of the secretary of state pursuant to division (L)(1) of this section shall be deemed to have filed those campaign finance statements by electronic means of transmission to the office of the secretary of state.

Sec. 3517.11. (A)(1) Campaign committees of candidates for statewide office or the state board of education, political action committees or political contributing entities that make contributions to campaign committees of candidates that are required to file the statements prescribed by section 3517.10 of the Revised Code with the secretary of state, political action committees or political contributing entities that make contributions to campaign committees of candidates for member of the general assembly, political action committees or political contributing entities that make contributions to state and national political parties and to legislative campaign funds, political action committees or political contributing entities that receive contributions or make expenditures in connection with a statewide ballot issue, political action committees or political contributing entities that make contributions to other political action committees or political contributing entities, political parties, and campaign committees, except as set forth in division (A)(3) of this section, legislative campaign funds, and state and national political parties shall file the statements prescribed by section 3517.10 of the Revised Code with the secretary of state.

(2)(a) Except as otherwise provided in division (F) of section 3517.106 of the Revised Code, campaign committees of candidates for all other offices shall file the statements prescribed by section 3517.10 of the Revised Code with the board of elections where their candidates are required to file their petitions or other papers for nomination or election.

(b) A campaign committee of a candidate for office of member of the

general assembly or a campaign committee of a candidate for the office of judge of a court of appeals shall file two copies of the printed version of any statement, addendum, or amended statement if the committee does not file pursuant to division (F)(1) or (L) of section 3517.106 of the Revised Code but files by printed version only with the appropriate board of elections. The board of elections shall send one of those copies by ~~overnight delivery service~~ certified mail to the secretary of state before the close of business on the day the board of elections receives the statement, addendum, or amended statement.

(3) Political action committees or political contributing entities that only contribute to a county political party, contribute to campaign committees of candidates whose nomination or election is to be submitted only to electors within a county, subdivision, or district, excluding candidates for member of the general assembly, and receive contributions or make expenditures in connection with ballot questions or issues to be submitted only to electors within a county, subdivision, or district shall file the statements prescribed by section 3517.10 of the Revised Code with the board of elections in that county or in the county contained in whole or part within the subdivision or district having a population greater than that of any other county contained in whole or part within that subdivision or district, as the case may be.

(4) Except as otherwise provided in division (E)(3) of section 3517.106 of the Revised Code with respect to state candidate funds, county political parties shall file the statements prescribed by section 3517.10 of the Revised Code with the board of elections of their respective counties.

(B)(1) The official with whom petitions and other papers for nomination or election to public office are filed shall furnish each candidate at the time of that filing a copy of sections 3517.01, 3517.08 to 3517.11, 3517.13 to 3517.993, 3599.03, and 3599.031 of the Revised Code and any other materials that the secretary of state may require. Each candidate receiving the materials shall acknowledge their receipt in writing.

(2) On or before the tenth day before the dates on which statements are required to be filed by section 3517.10 of the Revised Code, every candidate subject to the provisions of this section and sections 3517.10 and 3517.106 of the Revised Code shall be notified of the requirements and applicable penalties of those sections. The secretary of state, by certified mail, return receipt requested, shall notify all candidates required to file those statements with the secretary of state's office. The board of elections of every county shall notify by first class mail any candidate who has personally appeared at the office of the board on or before the tenth day before the statements are required to be filed and signed a form, to be provided by the secretary of

state, attesting that the candidate has been notified of the candidate's obligations under the campaign finance law. The board shall forward the completed form to the secretary of state. The board shall use certified mail, return receipt requested, to notify all other candidates required to file those statements with it.

(3)(a) Any statement required to be filed under sections 3517.081 to 3517.17 of the Revised Code that is found to be incomplete or inaccurate by the officer to whom it is submitted shall be accepted on a conditional basis, and the person who filed it shall be notified by certified mail as to the incomplete or inaccurate nature of the statement. The secretary of state may examine statements filed for candidates for the office of member of the general assembly and candidates for the office of judge of a court of appeals for completeness and accuracy. The secretary of state shall examine for completeness and accuracy statements that campaign committees of candidates for the office of member of the general assembly and campaign committees of candidates for the office of judge of a court of appeals file pursuant to division (F) or (L) of section 3517.106 of the Revised Code. If an officer at the board of elections where a statement filed for a candidate for the office of member of the general assembly or for a candidate for the office of judge of a court of appeals was submitted finds the statement to be incomplete or inaccurate, the officer shall immediately notify the secretary of state of its incomplete or inaccurate nature. If either an officer at the board of elections or the secretary of state finds a statement filed for a candidate for the office of member of the general assembly or for a candidate for the office of judge of a court of appeals to be incomplete or inaccurate, only the secretary of state shall send the notification as to the incomplete or inaccurate nature of the statement.

Within twenty-one days after receipt of the notice, in the case of a pre-election statement, a postelection statement, a monthly statement, an annual statement, or a semiannual statement prescribed by section 3517.10, an annual statement prescribed by section 3517.101, or a statement prescribed by division (B)(2)(b) or (C)(2)(b) of section 3517.105 or section 3517.107 of the Revised Code, the recipient shall file an addendum, amendment, or other correction to the statement providing the information necessary to complete or correct the statement. The secretary of state may require that, in lieu of filing an addendum, amendment, or other correction to a statement that is filed by electronic means of transmission to the office of the secretary of state pursuant to section 3517.106 of the Revised Code, the recipient of the notice described in this division file by electronic means of transmission an amended statement that incorporates the information

necessary to complete or correct the statement.

The secretary of state shall determine by rule when an addendum, amendment, or other correction to any of the following or when an amended statement of any of the following shall be filed:

(i) A two-business-day statement prescribed by section 3517.10 of the Revised Code;

(ii) A disclosure of electioneering communications statement prescribed by division (D) of section 3517.1011 of the Revised Code;

(iii) A deposit and disbursement statement prescribed under division (B) of section 3517.1012 of the Revised Code;

(iv) A gift and disbursement statement prescribed under section 3517.1013 of the Revised Code.

An addendum, amendment, or other correction to a statement that is filed by electronic means of transmission pursuant to section 3517.106 of the Revised Code shall be filed in the same manner as the statement.

The provisions of sections 3517.10, 3517.106, 3517.1011, 3517.1012, and 3517.1013 of the Revised Code pertaining to the filing of statements of contributions and expenditures, statements of independent expenditures, disclosure of electioneering communications statements, deposit and disbursement statements, and gift and disbursement statements by electronic means of transmission apply to the filing of addenda, amendments, or other corrections to those statements by electronic means of transmission and the filing of amended statements by electronic means of transmission.

(b) Within five business days after the secretary of state receives, by electronic or other means of transmission, an addendum, amendment, or other correction to a statement or an amended statement under division (B)(3)(a) of this section, the secretary of state, pursuant to divisions (E), (F), (G), and (I) of section 3517.106 or division (D) of section 3517.1011 of the Revised Code, shall make the contribution and expenditure, contribution and disbursement, deposit and disbursement, or gift and disbursement information in that addendum, amendment, correction, or amended statement available online to the public through the internet.

(4)(a) The secretary of state or the board of elections shall examine all statements for compliance with sections 3517.08 to 3517.17 of the Revised Code.

(b) The secretary of state may contract with an individual or entity not associated with the secretary of state and experienced in interpreting the campaign finance law of this state to conduct examinations of statements filed by any statewide candidate, as defined in section 3517.103 of the Revised Code.

(c) The examination shall be conducted by a person or entity qualified to conduct it. The results of the examination shall be available to the public, and, when the examination is conducted by an individual or entity not associated with the secretary of state, the results of the examination shall be reported to the secretary of state.

(C)(1) In the event of a failure to file or a late filing of a statement required to be filed under sections 3517.081 to 3517.17 of the Revised Code, or if a filed statement or any addendum, amendment, or other correction to a statement or any amended statement, if an addendum, amendment, or other correction or an amended statement is required to be filed, is incomplete or inaccurate or appears to disclose a failure to comply with or a violation of law, the official whose duty it is to examine the statement shall promptly file a complaint with the Ohio elections commission under section 3517.153 of the Revised Code if the law is one over which the commission has jurisdiction to hear complaints, or the official shall promptly report the failure or violation to the board of elections and the board shall promptly report it to the prosecuting attorney in accordance with division (J) of section 3501.11 of the Revised Code. If the official files a complaint with the commission, the commission shall proceed in accordance with sections 3517.154 to 3517.157 of the Revised Code.

(2) For purposes of division (C)(1) of this section, a statement or an addendum, amendment, or other correction to a statement or an amended statement required to be filed under sections 3517.081 to 3517.17 of the Revised Code is incomplete or inaccurate under this section if the statement, addendum, amendment, other correction, or amended statement fails to disclose substantially all contributions or gifts that are received or deposits that are made that are required to be reported under sections 3517.10, 3517.107, 3517.108, 3517.1011, 3517.1012, and 3517.1013 of the Revised Code or if the statement, addendum, amendment, other correction, or amended statement fails to disclose at least ninety per cent of the total contributions or gifts received or deposits made or of the total expenditures or disbursements made during the reporting period.

(D) No certificate of nomination or election shall be issued to a person, and no person elected to an office shall enter upon the performance of the duties of that office, until that person or that person's campaign committee, as appropriate, has fully complied with this section and sections 3517.08, 3517.081, 3517.10, and 3517.13 of the Revised Code.

Sec. 3517.13. (A)(1) No campaign committee of a statewide candidate shall fail to file a complete and accurate statement required under division (A)(1) of section 3517.10 of the Revised Code.

(2) No campaign committee of a statewide candidate shall fail to file a complete and accurate monthly statement, and no campaign committee of a statewide candidate or a candidate for the office of chief justice or justice of the supreme court shall fail to file a complete and accurate two-business-day statement, as required under section 3517.10 of the Revised Code.

As used in this division, "statewide candidate" has the same meaning as in division (F)(2) of section 3517.10 of the Revised Code.

(B) No campaign committee shall fail to file a complete and accurate statement required under division (A)(1) of section 3517.10 of the Revised Code.

(C) No campaign committee shall fail to file a complete and accurate statement required under division (A)(2) of section 3517.10 of the Revised Code.

(D) No campaign committee shall fail to file a complete and accurate statement required under division (A)(3) or (4) of section 3517.10 of the Revised Code.

(E) No person other than a campaign committee shall knowingly fail to file a statement required under section 3517.10 or 3517.107 of the Revised Code.

(F) No person shall make cash contributions to any person totaling more than one hundred dollars in each primary, special, or general election.

(G)(1) No person shall knowingly conceal or misrepresent contributions given or received, expenditures made, or any other information required to be reported by a provision in sections 3517.08 to 3517.13 and 3517.17 of the Revised Code.

(2)(a) No person shall make a contribution to a campaign committee, political action committee, political contributing entity, legislative campaign fund, political party, or person making disbursements to pay the direct costs of producing or airing electioneering communications in the name of another person.

(b) A person does not make a contribution in the name of another when either of the following applies:

(i) An individual makes a contribution from a partnership or other unincorporated business account, if the contribution is reported by listing both the name of the partnership or other unincorporated business and the name of the partner or owner making the contribution as required under division (I) of section 3517.10 of the Revised Code.

(ii) A person makes a contribution in that person's spouse's name or in both of their names.

(H) No person within this state, publishing a newspaper or other

periodical, shall charge a campaign committee for political advertising a rate in excess of the rate such person would charge if the campaign committee were a general rate advertiser whose advertising was directed to promoting its business within the same area as that encompassed by the particular office that the candidate of the campaign committee is seeking. The rate shall take into account the amount of space used, as well as the type of advertising copy submitted by or on behalf of the campaign committee. All discount privileges otherwise offered by a newspaper or periodical to general rate advertisers shall be available upon equal terms to all campaign committees.

No person within this state, operating a radio or television station or network of stations in this state, shall charge a campaign committee for political broadcasts a rate that exceeds:

(1) During the forty-five days preceding the date of a primary election and during the sixty days preceding the date of a general or special election in which the candidate of the campaign committee is seeking office, the lowest unit charge of the station for the same class and amount of time for the same period;

(2) At any other time, the charges made for comparable use of that station by its other users.

(I)(1)(a) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if any of the following has made, as an individual, within the ~~two~~ previous ~~calendar years~~ twenty-four months, one or more contributions totaling in excess of one thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee:

- (i) The individual;
- (ii) Any partner or owner of the partnership or other unincorporated business;
- (iii) Any shareholder of the association;
- (iv) Any administrator of the estate;

(v) Any executor of the estate;
(vi) Any trustee of the trust;
(vii) The spouse of any person identified in divisions (I)(1)(a)(i) to (vi) of this section;

(viii) Any child seven years of age through seventeen years of age of any person identified in divisions (I)(1)(a)(i) to (vi) of this section.

(b) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if any combination of the following has made, within the ~~two previous calendar years~~ twenty-four months, one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee:

(i) The individual;
(ii) Any partner or owner of the partnership or other unincorporated business;
(iii) Any shareholder of the association;
(iv) Any administrator of the estate;
(v) Any executor of the estate;
(vi) Any trustee of the trust;
(vii) The spouse of any person identified in divisions (I)(1)(b)(i) to (vi) of this section;

(viii) Any child seven years of age through seventeen years of age of any person identified in divisions (I)(1)(b)(i) to (vi) of this section;

(ix) Any political action committee affiliated with the partnership or other unincorporated business, association, estate, or trust.

(2)(a) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to

any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, none of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of one thousand dollars to the holder of the public office having ultimate responsibility for the award of that contract:

- (i) The individual;
- (ii) Any partner or owner of the partnership or other unincorporated business;
- (iii) Any shareholder of the association;
- (iv) Any administrator of the estate;
- (v) Any executor of the estate;
- (vi) Any trustee of the trust;
- (vii) The spouse of any person identified in divisions (I)(2)(a)(i) to (vi) of this section;
- (viii) Any child seven years of age through seventeen years of age of any person identified in divisions (I)(2)(a)(i) to (vi) of this section.

(b) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, no combination of any of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of that contract:

- (i) The individual;
- (ii) Any partner or owner of the partnership or other unincorporated business;
- (iii) Any shareholder of the association;
- (iv) Any administrator of the estate;
- (v) Any executor of the estate;
- (vi) Any trustee of the trust;

(vii) The spouse of any person identified in divisions (I)(2)(b)(i) to (vi) of this section;

(viii) Any child seven years of age through seventeen years of age of any person identified in divisions (I)(2)(b)(i) to (vi) of this section;

(ix) Any political action committee affiliated with the partnership or other unincorporated business, association, estate, or trust.

(3) Subject to divisions (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall enter into any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall enter into any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, with an individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust unless the agency, department, or political subdivision has received for that calendar year, or the contract includes, a certification by the individual, partnership or other unincorporated business, association, estate, or trust that all of the following persons, if applicable, are in compliance with division (I)(1) of this section:

(a) The individual;

(b) Each partner or owner of the partnership or other unincorporated business;

(c) Each shareholder of the association;

(d) Each administrator of the estate;

(e) Each executor of the estate;

(f) Each trustee of the trust;

(g) Each spouse of any person identified in divisions (I)(3)(a) to (f) of this section;

(h) Each child seven years of age to seventeen years of age of any person identified in divisions (I)(3)(a) to (f) of this section;

(i) Any combination of persons identified in divisions (I)(3)(a) to (h) of this section.

(4)(a) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services

with a cost aggregating more than ten thousand dollars in a calendar year, to any partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if a political action committee that is affiliated with the partnership or other unincorporated business, association, estate, or trust has made, within the ~~two previous calendar years~~ twenty-four months, one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee.

(b) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, no political action committee that is affiliated with the partnership or other unincorporated business, association, estate, or trust shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee.

(J)(1)(a) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if any of the following has made, as an individual, within the ~~two previous calendar years~~ twenty-four months, taking into consideration only owners for all of that period, one or more contributions totaling in excess of one thousand dollars to the holder of a public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee:

(i) An owner of more than twenty per cent of the corporation or business

trust;

(ii) A spouse of an owner of more than twenty per cent of the corporation or business trust;

(iii) A child seven years of age through seventeen years of age of an owner of more than twenty per cent of the corporation or business trust.

(b) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if any combination of the following has made, within the ~~two previous calendar years~~ twenty-four months, taking into consideration only owners for all of that period, one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee:

(i) Owners of more than twenty per cent of the corporation or business trust;

(ii) Spouses of owners of more than twenty per cent of the corporation or business trust;

(iii) Children seven years of age through seventeen years of age of owners of more than twenty per cent of the corporation or business trust;

(iv) Any political action committee affiliated with the corporation or business trust.

(2)(a) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, none of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of one thousand dollars to the holder of the public office having ultimate responsibility for the award of that contract:

(i) An owner of more than twenty per cent of the corporation or business trust;

(ii) A spouse of an owner of more than twenty per cent of the corporation or business trust;

(iii) A child seven years of age through seventeen years of age of an owner of more than twenty per cent of the corporation or business trust.

(b) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, no combination of any of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of that contract:

(i) Owners of more than twenty per cent of the corporation or business trust;

(ii) Spouses of owners of more than twenty per cent of the corporation or business trust;

(iii) Children seven years of age through seventeen years of age of owners of more than twenty per cent of the corporation or business trust;

(iv) Any political action committee affiliated with the corporation or business trust.

(3) Subject to divisions (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall enter into any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall enter into any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, with a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, unless the agency, department, or political subdivision has received for that calendar year, or the contract includes, a certification by the corporation or business trust that all of the following persons, if applicable, are in compliance with division (J)(1) of this section:

(a) Each owner of more than twenty per cent of the corporation or business trust;

(b) Each spouse of an owner of more than twenty per cent of the corporation or business trust;

(c) Each child seven years of age to seventeen years of age of an owner of more than twenty per cent of the corporation or business trust;

(d) Any combination of persons identified in divisions (J)(3)(a) to (c) of this section.

(4)(a) Subject to divisions (K), (L), (M), and (N) of this section, no agency or department of this state ~~or any political subdivision~~ shall award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, and no political subdivision shall award any contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if a political action committee that is affiliated with the corporation or business trust has made, within the ~~two previous calendar years~~ twenty-four months, one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee.

(b) Subject to divisions (K), (L), (M), and (N) of this section, if any agency or department of this state ~~or any political subdivision~~ has awarded any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars, or if any political subdivision has awarded a contract for the purchase of goods with a cost aggregating more than ten thousand dollars in a calendar year or services with a cost aggregating more than ten thousand dollars in a calendar year, to any corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, no political action committee that is affiliated with the corporation or business trust shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the holder of the public office having ultimate responsibility for the award of the contract or to the public officer's campaign committee.

(K)(1) For purposes of divisions (I) and (J) of this section, if a public officer who is responsible for the award of a contract is appointed by the governor, whether or not the appointment is subject to the advice and

consent of the senate, the office of the governor is considered to have ultimate responsibility for the award of the contract.

(2) For purposes of divisions (I) and (J) of this section, if a public officer who is responsible for the award of a contract is appointed by the elected chief executive officer of a municipal corporation, or appointed by the elected chief executive officer of a county operating under an alternative form of county government or county charter, the office of the chief executive officer is considered to have ultimate responsibility for the award of the contract.

(L)(1)(a) Collective bargaining agreements with labor organizations representing employees shall be considered to be contracts for the purchase of services for the purpose of divisions (I), (J), (Y), and (Z) of this section. The labor organization shall be the recipient of the contract and considered to be an unincorporated business for the purpose of divisions (I), (J), (Y), and (Z) of this section. For purposes of divisions (I), (J), (Y) and (Z) of this section, a political contributing entity or political action committee of the labor organization shall be subject to the same limits as applicable to an affiliated political action committee of an incorporated business.

(b) Divisions (I), (J), (Y), and (Z) of this section do not apply to employment contracts entered into with a single employee.

(c) The secretary of state shall adopt rules under Chapter 119. of the Revised Code that determine what constitutes a contract for the purchase of goods and what constitutes a contract for the purchase of services under divisions (I), (J), (Y), and (Z) of this section and section 3517.093 of the Revised Code.

(2)(a) For the purpose of divisions (I) and (Y) of this section, a political action committee is affiliated with a partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if the political action committee received, as reported on its most recent statement filed under section 3517.10 of the Revised Code, more than fifty per cent of its contributions from any combination of the persons identified in divisions (I)(1)~~(a)~~(b)(ii) to (vi) of this section or divisions (Y)(1)~~(a)~~(b)(ii) to (vi) of this section, respectively.

(b) For the purpose of divisions (J) and (Z) of this section, a political action committee is affiliated with a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if the political action committee received, as reported on its most recent statement filed under section 3517.10 of the Revised Code, more than fifty per cent of its contributions from any combination of the persons

identified in division (J)(1)~~(a)~~(b)(i) of this section or division (Z)(1)~~(a)~~(b)(i) of this section, respectively.

(c) A federal political committee registered with the secretary of state pursuant to section 3517.107 of the Revised Code is a political action committee affiliated with a partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785, of the Revised Code, estate, or trust or with a corporation or business trust if the federal political committee received more than fifty per cent of its contributions as specified in divisions (L)(2)(a) or (b) of this section in filings made with the federal election commission.

(M)(1) Divisions (I) and (J) of this section do not apply to contracts awarded by the board of commissioners of the sinking fund, by the supreme court or courts of appeals, by county courts consisting of more than one judge, courts of common pleas consisting of more than one judge, or municipal courts consisting of more than one judge, or by a division of any court if the division consists of more than one judge. This division shall apply to the specified entity only if the members of the entity act collectively in the award of a contract for goods or services.

(2) For the purpose of divisions (I), (J), (Y), and (Z) of this section, contracts approved by the controlling board shall be considered to be awarded solely by the agency or department that submitted the contract to the controlling board.

(N)(1) Divisions (I), (J), (Y), and (Z) of this section apply to contributions made to the holder of a public office having ultimate responsibility for the award of a contract, or to the public officer's campaign committee, during the time the person holds the office and during any time such person was a candidate for the office. Those divisions apply to contributions made to, or to the campaign committee of, a candidate for the public office having ultimate responsibility for the award of the contract during any such time the person is a candidate for that office. For the purpose of this division, a person becomes a candidate for the public office having ultimate authority for the award of the contract when the person becomes a candidate for that office by filing a declaration of candidacy, a declaration of intent to be a write-in candidate, or a nominating petition, through party nomination at a primary election, or by the filling of a vacancy under section 3513.30 or 3513.31 of the Revised Code.

(2) Divisions (I), (J), (Y), and (Z) of this section do not apply to contributions of a partner, shareholder, administrator, executor, trustee, or owner of more than twenty per cent of a corporation or business trust made before the person held any of those positions or after the person ceased to

hold any of those positions in the partnership or other unincorporated business, association, estate, trust, corporation, or business trust whose eligibility to be awarded a contract is being determined, nor to contributions of the person's spouse made before the person held any of those positions, after the person ceased to hold any of those positions, before the two were married, after the granting of a decree of divorce, dissolution of marriage, or annulment, or after the granting of an order in an action brought solely for legal separation. Those divisions do not apply to contributions of the spouse of an individual whose eligibility to be awarded a contract is being determined made before the two were married, after the granting of a decree of divorce, dissolution of marriage, or annulment, or after the granting of an order in an action brought solely for legal separation.

(O) No beneficiary of a campaign fund or other person shall convert for personal use, and no person shall knowingly give to a beneficiary of a campaign fund or any other person, for the beneficiary's or any other person's personal use, anything of value from the beneficiary's campaign fund, including, without limitation, payments to a beneficiary for services the beneficiary personally performs, except as reimbursement for any of the following:

(1) Legitimate and verifiable prior campaign expenses incurred by the beneficiary;

(2) Legitimate and verifiable ordinary and necessary prior expenses incurred by the beneficiary in connection with duties as the holder of a public office, including, without limitation, expenses incurred through participation in nonpartisan or bipartisan events if the participation of the holder of a public office would normally be expected;

(3) Legitimate and verifiable ordinary and necessary prior expenses incurred by the beneficiary while doing any of the following:

(a) Engaging in activities in support of or opposition to a candidate other than the beneficiary, political party, or ballot issue;

(b) Raising funds for a political party, political action committee, political contributing entity, legislative campaign fund, campaign committee, or other candidate;

(c) Participating in the activities of a political party, political action committee, political contributing entity, legislative campaign fund, or campaign committee;

(d) Attending a political party convention or other political meeting.

For purposes of this division, an expense is incurred whenever a beneficiary has either made payment or is obligated to make payment, as by the use of a credit card or other credit procedure or by the use of goods or

services received on account.

(P) No beneficiary of a campaign fund shall knowingly accept, and no person shall knowingly give to the beneficiary of a campaign fund, reimbursement for an expense under division (O) of this section to the extent that the expense previously was reimbursed or paid from another source of funds. If an expense is reimbursed under division (O) of this section and is later paid or reimbursed, wholly or in part, from another source of funds, the beneficiary shall repay the reimbursement received under division (O) of this section to the extent of the payment made or reimbursement received from the other source.

(Q) No candidate or public official or employee shall accept for personal or business use anything of value from a political party, political action committee, political contributing entity, legislative campaign fund, or campaign committee other than the candidate's or public official's or employee's own campaign committee, and no person shall knowingly give to a candidate or public official or employee anything of value from a political party, political action committee, political contributing entity, legislative campaign fund, or such a campaign committee, except for the following:

(1) Reimbursement for legitimate and verifiable ordinary and necessary prior expenses not otherwise prohibited by law incurred by the candidate or public official or employee while engaged in any legitimate activity of the political party, political action committee, political contributing entity, legislative campaign fund, or such campaign committee. Without limitation, reimbursable expenses under this division include those incurred while doing any of the following:

(a) Engaging in activities in support of or opposition to another candidate, political party, or ballot issue;

(b) Raising funds for a political party, legislative campaign fund, campaign committee, or another candidate;

(c) Attending a political party convention or other political meeting.

(2) Compensation not otherwise prohibited by law for actual and valuable personal services rendered under a written contract to the political party, political action committee, political contributing entity, legislative campaign fund, or such campaign committee for any legitimate activity of the political party, political action committee, political contributing entity, legislative campaign fund, or such campaign committee.

Reimbursable expenses under this division do not include, and it is a violation of this division for a candidate or public official or employee to accept, or for any person to knowingly give to a candidate or public official

or employee from a political party, political action committee, political contributing entity, legislative campaign fund, or campaign committee other than the candidate's or public official's or employee's own campaign committee, anything of value for activities primarily related to the candidate's or public official's or employee's own campaign for election, except for contributions to the candidate's or public official's or employee's campaign committee.

For purposes of this division, an expense is incurred whenever a candidate or public official or employee has either made payment or is obligated to make payment, as by the use of a credit card or other credit procedure, or by the use of goods or services on account.

(R)(1) Division (O) or (P) of this section does not prohibit a campaign committee from making direct advance or post payment from contributions to vendors for goods and services for which reimbursement is permitted under division (O) of this section, except that no campaign committee shall pay its candidate or other beneficiary for services personally performed by the candidate or other beneficiary.

(2) If any expense that may be reimbursed under division (O), (P), or (Q) of this section is part of other expenses that may not be paid or reimbursed, the separation of the two types of expenses for the purpose of allocating for payment or reimbursement those expenses that may be paid or reimbursed may be by any reasonable accounting method, considering all of the surrounding circumstances.

(3) For purposes of divisions (O), (P), and (Q) of this section, mileage allowance at a rate not greater than that allowed by the internal revenue service at the time the travel occurs may be paid instead of reimbursement for actual travel expenses allowable.

(S)(1) As used in division (S) of this section:

(a) "State elective office" has the same meaning as in section 3517.092 of the Revised Code.

(b) "Federal office" means a federal office as defined in the Federal Election Campaign Act.

(c) "Federal campaign committee" means a principal campaign committee or authorized committee as defined in the Federal Election Campaign Act.

(2) No person who is a candidate for state elective office and who previously sought nomination or election to a federal office shall transfer any funds or assets from that person's federal campaign committee for nomination or election to the federal office to that person's campaign committee as a candidate for state elective office.

(3) No campaign committee of a person who is a candidate for state elective office and who previously sought nomination or election to a federal office shall accept any funds or assets from that person's federal campaign committee for that person's nomination or election to the federal office.

(T)(1) Except as otherwise provided in division (B)(6)(c) of section 3517.102 of the Revised Code, a state or county political party shall not disburse moneys from any account other than a state candidate fund to make contributions to any of the following:

(a) A state candidate fund;

(b) A legislative campaign fund;

(c) A campaign committee of a candidate for the office of governor, lieutenant governor, secretary of state, auditor of state, treasurer of state, attorney general, member of the state board of education, or member of the general assembly.

(2) No state candidate fund, legislative campaign fund, or campaign committee of a candidate for any office described in division (T)(1)(c) of this section shall knowingly accept a contribution in violation of division (T)(1) of this section.

(U) No person shall fail to file a statement required under section 3517.12 of the Revised Code.

(V) No campaign committee shall fail to file a statement required under division (K)(3) of section 3517.10 of the Revised Code.

(W)(1) No foreign national shall, directly or indirectly through any other person or entity, make a contribution, expenditure, or independent expenditure or promise, either expressly or implicitly, to make a contribution, expenditure, or independent expenditure in support of or opposition to a candidate for any elective office in this state, including an office of a political party.

(2) No candidate, campaign committee, political action committee, political contributing entity, legislative campaign fund, state candidate fund, political party, or separate segregated fund shall solicit or accept a contribution, expenditure, or independent expenditure from a foreign national. The secretary of state may direct any candidate, committee, entity, fund, or party that accepts a contribution, expenditure, or independent expenditure in violation of this division to return the contribution, expenditure, or independent expenditure or, if it is not possible to return the contribution, expenditure, or independent expenditure, then to return instead the value of it, to the contributor.

(3) As used in division (W) of this section, "foreign national" has the

same meaning as in section 441e(b) of the Federal Election Campaign Act.

(X)(1) No state or county political party shall transfer any moneys from its restricted fund to any account of the political party into which contributions may be made or from which contributions or expenditures may be made.

(2)(a) No state or county political party shall deposit a contribution or contributions that it receives into its restricted fund.

(b) No state or county political party shall make a contribution or an expenditure from its restricted fund.

(3)(a) No corporation or labor organization shall make a gift or gifts from the corporation's or labor organization's money or property aggregating more than ten thousand dollars to any one state or county political party for the party's restricted fund in a calendar year.

(b) No state or county political party shall accept a gift or gifts for the party's restricted fund aggregating more than ten thousand dollars from any one corporation or labor organization in a calendar year.

(4) No state or county political party shall transfer any moneys in the party's restricted fund to any other state or county political party.

(5) No state or county political party shall knowingly fail to file a statement required under section 3517.1012 of the Revised Code.

(Y)(1)(a) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct any business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, if any of the following has made, as an individual, within the ~~two previous calendar years~~ twenty-four months, one or more contributions totaling in excess of one thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) The individual;

(ii) Any partner or owner of the partnership or other unincorporated business;

(iii) Any shareholder of the association;

(iv) Any administrator of the estate;

(v) Any executor of the estate;

(vi) Any trustee of the trust;

(vii) The spouse of any person identified in divisions (Y)(1)(a)(i) to (vi) of this section;

(viii) Any child seven years of age through seventeen years of age of any person identified in divisions (Y)(1)(a)(i) to (vi) of this section.

(b) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct any business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if any combination of the following has made, within the ~~two~~ previous ~~calendar years~~ twenty-four months, one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) The individual;

(ii) Any partner or owner of the partnership or other unincorporated business;

(iii) Any shareholder of the association;

(iv) Any administrator of the estate;

(v) Any executor of the estate;

(vi) Any trustee of the trust;

(vii) The spouse of any person identified in divisions (Y)(1)(b)(i) to (vi) of this section;

(viii) Any child seven years of age through seventeen years of age of any person identified in divisions (Y)(1)(b)(i) to (vi) of this section;

(ix) Any political action committee affiliated with the partnership or other unincorporated business, association, estate, or trust.

(2)(a) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of workers' compensation has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, none of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of one thousand

dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

- (i) The individual;
- (ii) Any partner or owner of the partnership or other unincorporated business;
- (iii) Any shareholder of the association;
- (iv) Any administrator of the estate;
- (v) Any executor of the estate;
- (vi) Any trustee of the trust;
- (vii) The spouse of any person identified in divisions (Y)(2)(a)(i) to (vi) of this section;
- (viii) Any child seven years of age through seventeen years of age of any person identified in divisions (Y)(2)(a)(i) to (vi) of this section.

(b) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of workers' compensation has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, no combination of any of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

- (i) The individual;
- (ii) Any partner or owner of the partnership or other unincorporated business;
- (iii) Any shareholder of the association;
- (iv) Any administrator of the estate;
- (v) Any executor of the estate;
- (vi) Any trustee of the trust;
- (vii) The spouse of any person identified in divisions (Y)(2)(b)(i) to (vi) of this section;
- (viii) Any child seven years of age through seventeen years of age of any person identified in divisions (Y)(2)(b)(i) to (vi) of this section;
- (ix) Any political action committee affiliated with the partnership or other unincorporated business, association, estate, or trust.

(3) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not enter into any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars with an individual, partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust unless the bureau has received for that calendar year, or the contract includes, a certification by the individual, partnership or other unincorporated business, association, estate, or trust that all of the following persons, if applicable, are in compliance with division (Y)(1) of this section:

- (a) The individual;
- (b) Each partner or owner of the partnership or other unincorporated business;
- (c) Each shareholder of the association;
- (d) Each administrator of the estate;
- (e) Each executor of the estate;
- (f) Each trustee of the trust;
- (g) Each spouse of any person identified in divisions (Y)(3)(a) to (f) of this section;
- (h) Each child seven years of age to seventeen years of age of any person identified in divisions (Y)(3)(a) to (f) of this section;
- (i) Any combination of persons identified in divisions (Y)(3)(a) to (h) of this section.

(4)(a) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct any business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust if a political action committee that is affiliated with the partnership or other unincorporated business, association, estate, or trust has made, within the ~~two previous calendar years~~ twenty-four months, one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor.

(b) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of

workers' compensation has awarded any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any partnership or other unincorporated business, association, including, without limitation, a professional association organized under Chapter 1785. of the Revised Code, estate, or trust, no political action committee that is affiliated with the partnership or other unincorporated business, association, estate, or trust shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor.

(Z)(1)(a) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if any of the following has made, as an individual, within the ~~two~~ previous ~~calendar years~~ twenty-four months, taking into consideration only owners for all of such period, one or more contributions totaling in excess of one thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) An owner of more than twenty per cent of the corporation or business trust;

(ii) A spouse of an owner of more than twenty per cent of the corporation or business trust;

(iii) A child seven years of age through seventeen years of age of an owner of more than twenty per cent of the corporation or business trust.

(b) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct any business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if any combination of the following has made, within the ~~two~~ previous ~~calendar years~~ twenty-four months, taking into consideration only owners for all of that period, one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or

lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) Owners of more than twenty per cent of the corporation or business trust;

(ii) Spouses of owners of more than twenty per cent of the corporation or business trust;

(iii) Children seven years of age through seventeen years of age of owners of more than twenty per cent of the corporation or business trust;

(iv) Any political action committee affiliated with the corporation or business trust.

(2)(a) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of workers' compensation has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, none of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of one thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) An owner of more than twenty per cent of the corporation or business trust;

(ii) A spouse of an owner of more than twenty per cent of the corporation or business trust;

(iii) A child seven years of age through seventeen years of age of an owner of more than twenty per cent of the corporation or business trust.

(b) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of workers' compensation has awarded a contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, no combination of any of the following shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor:

(i) Owners of more than twenty per cent of the corporation or business trust;

(ii) Spouses of owners of more than twenty per cent of the corporation or business trust;

(iii) Children seven years of age through seventeen years of age of owners of more than twenty per cent of the corporation or business trust;

(iv) Any political action committee affiliated with the corporation or business trust.

(3) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not enter into any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars with a corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, unless the bureau has received for that calendar year, or the contract includes, a certification by the corporation or business trust that all of the following persons, if applicable, are in compliance with division (Z)(1) of this section:

(a) Each owner of more than twenty per cent of the corporation or business trust;

(b) Each spouse of an owner of more than twenty per cent of the corporation or business trust;

(c) Each child seven years of age to seventeen years of age of an owner of more than twenty per cent of the corporation or business trust;

(d) Any combination of persons identified in divisions (Z)(3)(a) to (c) of this section.

(4)(a) Subject to divisions (L), (M)(2), and (N) of this section, the administrator of workers' compensation and the employees of the bureau of workers' compensation shall not conduct business with or award any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, if a political action committee that is affiliated with the corporation or business trust has made, within the ~~two~~ twenty-four months previous ~~calendar years~~ calendar years, one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor.

(b) Subject to divisions (L), (M)(2), and (N) of this section, if the administrator of workers' compensation or the employees of the bureau of

workers' compensation has awarded any contract for the purchase of goods costing more than five hundred dollars or services costing more than five hundred dollars to any corporation or business trust, except a professional association organized under Chapter 1785. of the Revised Code, no political action committee that is affiliated with the corporation or business trust shall, beginning on the date the contract is awarded and extending until one year following the conclusion of that contract, make one or more contributions totaling in excess of two thousand dollars to the campaign committee of the governor or lieutenant governor or to the campaign committee of any candidate for the office of governor or lieutenant governor.

(AA) No individual, partnership or other incorporated business, association, estate, trust, corporation, or business trust shall knowingly make a false statement on a certification required under division (I)(3), (J)(3), (Y)(3), or (Z)(3) of this section.

Sec. 3517.992. This section establishes penalties only with respect to acts or failures to act that occur on and after August 24, 1995.

(A)(1) A candidate whose campaign committee violates division (A), (B), (C), (D), or (V) of section 3517.13 of the Revised Code, or a treasurer of a campaign committee who violates any of those divisions, shall be fined not more than one hundred dollars for each day of violation.

(2) Whoever violates division (E) or (X)(5) of section 3517.13 of the Revised Code shall be fined not more than one hundred dollars for each day of violation.

(B) A political party that violates division (F)(1) of section 3517.101 of the Revised Code shall be fined not more than one hundred dollars for each day of violation.

(C) Whoever violates division (F)(2) of section 3517.101 or division (G) of section 3517.13 of the Revised Code shall be fined not more than ten thousand dollars or, if the offender is a person who was nominated or elected to public office, shall forfeit the nomination or the office to which the offender was elected, or both.

(D) Whoever violates division (F) of section 3517.13 of the Revised Code shall be fined not more than three times the amount contributed.

(E) Whoever violates division (H) of section 3517.13 of the Revised Code shall be fined not more than one hundred dollars.

(F) Whoever violates division (O), (P), or (Q) of section 3517.13 of the Revised Code is guilty of a misdemeanor of the first degree.

(G) A state or county committee of a political party that violates division (B)(1) of section 3517.18 of the Revised Code shall be fined not

more than twice the amount of the improper expenditure.

(H) A state or county political party that violates division (G) of section 3517.101 of the Revised Code shall be fined not more than twice the amount of the improper expenditure or use.

(I)(1) Any individual who violates division (B)(1) of section 3517.102 of the Revised Code and knows that the contribution the individual makes violates that division shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by that division.

(2) Any political action committee that violates division (B)(2) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by that division.

(3) Any campaign committee that violates division (B)(3) or (5) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by that division.

(4)(a) Any legislative campaign fund that violates division (B)(6) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount transferred or contributed in excess of the amount permitted by that division, as applicable.

(b) Any state political party, county political party, or state candidate fund of a state political party or county political party that violates division (B)(6) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount transferred or contributed in excess of the amount permitted by that division, as applicable.

(c) Any political contributing entity that violates division (B)(7) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by that division.

(5) Any political party that violates division (B)(4) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by that division.

(6) Notwithstanding divisions (I)(1), (2), (3), (4), and (5) of this section, no violation of division (B) of section 3517.102 of the Revised Code occurs, and the secretary of state shall not refer parties to the Ohio elections commission, if the amount transferred or contributed in excess of the amount permitted by that division meets either of the following conditions:

(a) It is completely refunded within five business days after it is accepted.

(b) It is completely refunded on or before the tenth business day after

notification to the recipient of the excess transfer or contribution by the board of elections or the secretary of state that a transfer or contribution in excess of the permitted amount has been received.

(J)(1) Any campaign committee that violates division (C)(1), (2), (3), or (6) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount accepted in excess of the amount permitted by that division.

(2)(a) Any county political party that violates division (C)(4)(a)(ii) or (iii) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount accepted.

(b) Any county political party that violates division (C)(4)(a)(i) of section 3517.102 of the Revised Code shall be fined an amount from its state candidate fund equal to three times the amount accepted in excess of the amount permitted by that division.

(c) Any state political party that violates division (C)(4)(b) of section 3517.102 of the Revised Code shall be fined an amount from its state candidate fund equal to three times the amount accepted in excess of the amount permitted by that division.

(3) Any legislative campaign fund that violates division (C)(5) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount accepted in excess of the amount permitted by that division.

(4) Any political action committee or political contributing entity that violates division (C)(7) of section 3517.102 of the Revised Code shall be fined an amount equal to three times the amount accepted in excess of the amount permitted by that division.

(5) Notwithstanding divisions (J)(1), (2), (3), and (4) of this section, no violation of division (C) of section 3517.102 of the Revised Code occurs, and the secretary of state shall not refer parties to the Ohio elections commission, if the amount transferred or contributed in excess of the amount permitted to be accepted by that division meets either of the following conditions:

(a) It is completely refunded within five business days after its acceptance.

(b) It is completely refunded on or before the tenth business day after notification to the recipient of the excess transfer or contribution by the board of elections or the secretary of state that a transfer or contribution in excess of the permitted amount has been received.

(K)(1) Any legislative campaign fund that violates division (F)(1) of section 3517.102 of the Revised Code shall be fined twenty-five dollars for

each day of violation.

(2) Any legislative campaign fund that violates division (F)(2) of section 3517.102 of the Revised Code shall give to the treasurer of state for deposit into the state treasury to the credit of the Ohio elections commission fund all excess contributions not disposed of as required by division (E) of section 3517.102 of the Revised Code.

(L) Whoever violates section 3517.105 of the Revised Code shall be fined one thousand dollars.

(M)(1) Whoever solicits a contribution in violation of section 3517.092 or violates division (B) of section 3517.09 of the Revised Code is guilty of a misdemeanor of the first degree.

(2) Whoever knowingly accepts a contribution in violation of division (B) or (C) of section 3517.092 of the Revised Code shall be fined an amount equal to three times the amount accepted in violation of either of those divisions and shall return to the contributor any amount so accepted. Whoever unknowingly accepts a contribution in violation of division (B) or (C) of section 3517.092 of the Revised Code shall return to the contributor any amount so accepted.

(N) Whoever violates division (S) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount of funds transferred or three times the value of the assets transferred in violation of that division.

(O) Any campaign committee that accepts a contribution or contributions in violation of section 3517.108 of the Revised Code, uses a contribution in violation of that section, or fails to dispose of excess contributions in violation of that section shall be fined an amount equal to three times the amount accepted, used, or kept in violation of that section.

(P) Any political party, state candidate fund, legislative candidate fund, or campaign committee that violates division (T) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount contributed or accepted in violation of that section.

(Q) A treasurer of a committee or another person who violates division (U) of section 3517.13 of the Revised Code shall be fined not more than two hundred fifty dollars.

(R)(1) Whoever violates division (I)(1), (I)(4)(a), (J)(1), (J)(4)(a), (Y)(1), (Y)(4)(a), (Z)(1), or (Z)(4)(a) of section 3517.13 of the Revised Code shall be fined not more than one thousand dollars. Whenever a person is found guilty of violating any of those divisions, the contract awarded in violation of the applicable division shall be rescinded if its terms have not yet been performed.

(2) Whoever violates division (I)(2), (I)(4)(b), (J)(2), (J)(4)(b), (Y)(2), (Y)(4)(b), (Z)(2), or (Z)(4)(b) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount contributed in excess of the amount permitted by the applicable division. Whenever a person is found guilty of violating any of those divisions, any contract that makes the person subject to the applicable division may be rescinded at the discretion of the elections commission.

(3) Whoever violates division (AA) of section 3517.13 of the Revised Code is guilty of a felony of the fifth degree, and ~~the~~ any contract that includes, or is dependent upon, the certification made in violation of that division shall be rescinded.

(4) Notwithstanding divisions (R)(1), (2), and (3) of this section, no fine shall be imposed and no contract shall be rescinded if the amount contributed in excess of the amount permitted under division (I), (J), (Y), or (Z) of section 3517.13 of the Revised Code, as applicable, meets both of the following conditions:

(a) It is contributed after the award of the contract for the purchase of goods or services;

(b) Either of the following applies:

(i) It is completely refunded within five business days after it is accepted;

(ii) It is completely refunded on or before the tenth business day after knowledge by the recipient of the excess contribution or notification to the recipient of the excess contribution by the board of elections or the secretary of state that a contribution in excess of the permitted amount has been received, whichever is earlier.

(S) A candidate whose campaign committee violates or a treasurer of a campaign committee who violates section 3517.081 of the Revised Code, and a candidate whose campaign committee violates or a treasurer of a campaign committee or another person who violates division (C) of section 3517.10 of the Revised Code, shall be fined not more than five hundred dollars.

(T) A candidate whose campaign committee violates or a treasurer of a committee who violates division (B) of section 3517.09 of the Revised Code, or a candidate whose campaign committee violates or a treasurer of a campaign committee or another person who violates division (C) of section 3517.09 of the Revised Code shall be fined not more than one thousand dollars.

(U) Whoever violates section 3517.20 of the Revised Code shall be fined not more than five hundred dollars.

(V) Whoever violates section 3517.21 or 3517.22 of the Revised Code shall be imprisoned for not more than six months or fined not more than five thousand dollars, or both.

(W) A campaign committee that is required to file a declaration of no limits under division (D)(2) of section 3517.103 of the Revised Code that, before filing that declaration, accepts a contribution or contributions that exceed the limitations prescribed in section 3517.102 of the Revised Code, shall return that contribution or those contributions to the contributor.

(X) Any campaign committee that fails to file the declaration of filing-day finances required by division (F) of section 3517.109 or the declaration of primary-day finances or declaration of year-end finances required by division (E) of section 3517.1010 of the Revised Code shall be fined twenty-five dollars for each day of violation.

(Y) Any campaign committee that fails to dispose of excess funds or excess aggregate contributions under division (B) of section 3517.109 of the Revised Code in the manner required by division (C) of that section or under division (B) of section 3517.1010 of the Revised Code in the manner required by division (C) of that section shall give to the treasurer of state for deposit into the Ohio elections commission fund created under division (I) of section 3517.152 of the Revised Code all funds not disposed of pursuant to those divisions.

(Z) Any individual, campaign committee, political action committee, political contributing entity, legislative campaign fund, political party, or other entity that violates any provision of sections 3517.09 to 3517.12 of the Revised Code for which no penalty is provided for under any other division of this section shall be fined not more than one thousand dollars.

(AA)(1) Whoever knowingly violates division (W)(1) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount contributed, expended, or promised in violation of that division or ten thousand dollars, whichever amount is greater.

(2) Whoever knowingly violates division (W)(2) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount solicited or accepted in violation of that division or ten thousand dollars, whichever amount is greater.

(BB) Whoever knowingly violates division (C) or (D) of section 3517.1011 of the Revised Code shall be fined not more than ten thousand dollars plus not more than one thousand dollars for each day of violation.

(CC)(1) Subject to division (CC)(2) of this section, whoever violates division (H) of section 3517.1011 of the Revised Code shall be fined an amount up to three times the amount disbursed for the direct costs of airing

the communication made in violation of that division.

(2) Whoever has been ordered by the Ohio elections commission or by a court of competent jurisdiction to cease making communications in violation of division (H) of section 3517.1011 of the Revised Code who again violates that division shall be fined an amount equal to three times the amount disbursed for the direct costs of airing the communication made in violation of that division.

(DD)(1) Any corporation or labor organization that violates division (X)(3)(a) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount given in excess of the amount permitted by that division.

(2) Any state or county political party that violates division (X)(3)(b) of section 3517.13 of the Revised Code shall be fined an amount equal to three times the amount accepted in excess of the amount permitted by that division.

(EE)(1) Whoever solicits or directs a contribution in violation of division (B) of section 3517.093 of the Revised Code is guilty of a misdemeanor of the first degree.

(2) Whoever accepts a contribution in violation of division (C) of section 3517.093 of the Revised Code shall return to the contributor any amount so accepted.

Sec. 3599.17. (A) No elections official serving as a registrar, or judge, ~~or clerk~~ of elections shall do any of the following:

(1) Fail to appear before the board of elections, or its representative, after notice has been served personally upon the official or left at the official's usual place of residence, for examination as to the official's qualifications;

(2) Fail to appear at the polling place to which the official is assigned at the hour and during the hours set for the registration or election;

(3) Fail to take the oath prescribed by section 3501.31 of the Revised Code, unless excused by such board;

(4) Refuse or sanction the refusal of another registrar or judge of elections to administer an oath required by law;

(5) Fail to send notice to the board of the appointment of a judge ~~or clerk~~ to fill a vacancy;

(6) Act as registrar, or judge, ~~or clerk~~ without having been appointed and having received a certificate of appointment, except a judge ~~or clerk~~ appointed to fill a vacancy caused by absence or removal;

(7) Fail in any other way to perform any duty imposed by law.

(B) Whoever violates division (A) of this section is guilty of a

misdemeanor of the first degree.

Sec. 3599.19. (A) No judge ~~or clerk~~ of elections shall knowingly do any of the following:

(1) Unlawfully open or permit to be opened the sealed package containing registration lists, ballots, blanks, pollbooks, and other papers and material to be used in an election;

(2) Unlawfully misplace, carry away, negligently lose or permit to be taken from the judge ~~or clerk~~, fail to deliver, or destroy any such packages, papers, or material;

(3) Receive or sanction the reception of a ballot from a person not a qualified elector or from a person who refused to answer a question in accordance with the election law;

(4) Refuse to receive or sanction the rejection of a ballot from a person, knowing that person to be a qualified elector;

(5) Permit a fraudulent ballot to be placed in the ballot box;

(6) Place or permit to be placed in any ballot box any ballot known by the judge ~~or clerk~~ to be improperly or falsely marked;

(7) Count or permit to be counted any illegal or fraudulent ballot;

(8) Mislead an elector who is physically unable to prepare the elector's ballot, mark a ballot for such elector otherwise than as directed by that elector, or disclose to any person, except when legally required to do so, how such elector voted;

(9) Alter or mark or permit any alteration or marking on any ballot when counting the ballots;

(10) Unlawfully count or tally or sanction the wrongful counting or tallying of votes;

(11) After the counting of votes commences, as required by law, postpone or sanction the postponement of the counting of votes, adjourn at any time or to any place, or remove the ballot box from the place of voting, or from the custody or presence of all the judges ~~and clerks~~ of such elections;

(12) Permit any ballot to remain or to be in the ballot box at the opening of the polls, or to be put in the box during the counting of the ballots, or to be left in the box without being counted;

(13) Admit or sanction the admission to the polling room at an election during the receiving, counting, and certifying of votes of any person not qualified by law to be so admitted;

(14) Refuse to admit or sanction the refusal to admit any person, upon lawful request for admission, who is legally qualified to be present;

(15) Permit or sanction the counting of the ballots contrary to the

manner prescribed by law;

(16) Neglect or unlawfully execute any duty enjoined upon the judge or clerk by law.

(B) Whoever violates division (A) of this section is guilty of a misdemeanor of the first degree.

Sec. 3599.37. (A) No person having been subpoenaed or ordered to appear before a grand jury, court, board, or officer in a proceeding or prosecution upon a complaint, information, affidavit, or indictment for an offense under an election law shall do either of the following:

(1) Fail to appear or, having appeared, refuse to answer a question pertinent to the matter under inquiry or investigation;

(2) Refuse to produce, upon reasonable notice, any material, books, papers, documents, or records in that person's possession or under that person's control.

(B) Whoever violates division (A) of this section, unless the violator ~~claims~~ personally appears before the grand jury, court, board, or officer and asserts the protection of the violator's constitutional rights, is guilty of a misdemeanor of the first degree.

Sec. 3701.047. (A) As used in this section:

(1) "Federally qualified health center" means a health center that receives a federal public health services grant under the "Public Health Services Act," 117 Stat. 2020, 42 U.S.C. 254b, as amended, or another health center designated by the U.S. Health Resources and Services Administration as a federally qualified health center.

(2) "Federally qualified health center look-alike" means a public or not-for-profit health center that meets the eligibility requirements to receive a federal public health services grant under the "Public Health Services Act," 117 Stat. 2020, 42 U.S.C. 254b, as amended, but does not receive grant funding.

(B) The department of health may enter into an agreement with the state's primary care association to promote the establishment of new federally qualified health centers and federally qualified health center look-alikes.

The department and the association may assist local communities and community health centers by providing grants and grant writing assistance to establish health centers as defined in 42 U.S.C. 254b, regardless of whether the health centers apply for a grant under that section.

Sec. 3701.135. (A) The autism diagnosis education pilot program is hereby established in the department of health. The program shall have the following goals:

(1) To educate health care professionals, teachers and other educational personnel, child care providers, parents, early intervention and developmental disabilities providers, and other community-based services providers in this state regarding the diagnosis of autism spectrum disorders, including the range of symptoms that may indicate autism spectrum disorders and screening tools;

(2) To promote appropriate standards for the diagnosis of autism spectrum disorders in children, including screening tools and treatment planning for children diagnosed with autism spectrum disorders;

(3) To encourage physicians and other health care professionals with expertise in screening, diagnosing, and treating autism spectrum disorders to share that information with other health care professionals in this state;

(4) To encourage the regional coordination of services to facilitate the effective, timely treatment of children diagnosed with autism spectrum disorders.

(B) The director of health shall contract with a statewide association representing pediatric physicians to conduct or administer the autism diagnosis education pilot program.

Sec. 3701.74. (A) As used in this section and section 3701.741 of the Revised Code:

(1) "Ambulatory care facility" means a facility that provides medical, diagnostic, or surgical treatment to patients who do not require hospitalization, including a dialysis center, ambulatory surgical facility, cardiac catheterization facility, diagnostic imaging center, extracorporeal shock wave lithotripsy center, home health agency, inpatient hospice, birthing center, radiation therapy center, emergency facility, and an urgent care center. "Ambulatory care facility" does not include the private office of a physician or dentist, whether the office is for an individual or group practice.

(2) "Chiropractor" means an individual licensed under Chapter 4734. of the Revised Code to practice chiropractic.

(3) "Emergency facility" means a hospital emergency department or any other facility that provides emergency medical services.

(4) "Health care practitioner" means all of the following:

(a) A dentist or dental hygienist licensed under Chapter 4715. of the Revised Code;

(b) A registered or licensed practical nurse licensed under Chapter 4723. of the Revised Code;

(c) An optometrist licensed under Chapter 4725. of the Revised Code;

(d) A dispensing optician, spectacle dispensing optician, contact lens

dispensing optician, or spectacle-contact lens dispensing optician licensed under Chapter 4725. of the Revised Code;

(e) A pharmacist licensed under Chapter 4729. of the Revised Code;

(f) A physician;

(g) A physician assistant authorized under Chapter 4730. of the Revised Code to practice as a physician assistant;

(h) A practitioner of a limited branch of medicine issued a certificate under Chapter 4731. of the Revised Code;

(i) A psychologist licensed under Chapter 4732. of the Revised Code;

(j) A chiropractor;

(k) A hearing aid dealer or fitter licensed under Chapter 4747. of the Revised Code;

(l) A speech-language pathologist or audiologist licensed under Chapter 4753. of the Revised Code;

(m) An occupational therapist or occupational therapy assistant licensed under Chapter 4755. of the Revised Code;

(n) A physical therapist or physical therapy assistant licensed under Chapter 4755. of the Revised Code;

(o) A professional clinical counselor, professional counselor, social worker, or independent social worker licensed, or a social work assistant registered, under Chapter 4757. of the Revised Code;

(p) A dietitian licensed under Chapter 4759. of the Revised Code;

(q) A respiratory care professional licensed under Chapter 4761. of the Revised Code;

(r) An emergency medical technician-basic, emergency medical technician-intermediate, or emergency medical technician-paramedic certified under Chapter 4765. of the Revised Code.

(5) "Health care provider" means a hospital, ambulatory care facility, long-term care facility, pharmacy, emergency facility, or health care practitioner.

(6) "Hospital" has the same meaning as in section 3727.01 of the Revised Code.

(7) "Long-term care facility" means a nursing home, residential care facility, or home for the aging, as those terms are defined in section 3721.01 of the Revised Code; an adult care facility, as defined in section 3722.01 of the Revised Code; a nursing facility or intermediate care facility for the mentally retarded, as those terms are defined in section 5111.20 of the Revised Code; a facility or portion of a facility certified as a skilled nursing facility under Title XVIII of the "Social Security Act," 49 Stat. 286 (1965), 42 U.S.C.A. 1395, as amended.

(8) "Medical record" means data in any form that pertains to a patient's medical history, diagnosis, prognosis, or medical condition and that is generated and maintained by a health care provider in the process of the patient's health care treatment.

(9) "Medical records company" means a person who stores, locates, or copies medical records for a health care provider, or is compensated for doing so by a health care provider, and charges a fee for providing medical records to a patient or patient's representative.

(10) "Patient" means either of the following:

(a) An individual who received health care treatment from a health care provider;

(b) A guardian, as defined in section 1337.11 of the Revised Code, of an individual described in division (A)(10)(a) of this section.

(11) "Patient's personal representative" means a minor patient's parent or other person acting in loco parentis, a court-appointed guardian, or a person with durable power of attorney for health care for a patient, the executor or administrator of the patient's estate, or the person responsible for the patient's estate if it is not to be probated. "Patient's personal representative" does not include an insurer authorized under Title XXXIX of the Revised Code to do the business of sickness and accident insurance in this state, a health insuring corporation holding a certificate of authority under Chapter 1751. of the Revised Code, or any other person not named in this division.

(12) "Pharmacy" has the same meaning as in section 4729.01 of the Revised Code.

(13) "Physician" means a person authorized under Chapter 4731. of the Revised Code to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery.

(14) "Authorized person" means a person to whom a patient has given written authorization to act on the patient's behalf regarding the patient's medical record.

(B) A patient, a patient's personal representative or an authorized person who wishes to examine or obtain a copy of part or all of a medical record shall submit to the health care provider a written request signed by the patient, personal representative, or authorized person dated not more than ~~sixty days~~ one year before the date on which it is submitted. The request shall indicate whether the copy is to be sent to the requestor, physician or chiropractor, or held for the requestor at the office of the health care provider. Within a reasonable time after receiving a request that meets the requirements of this division and includes sufficient information to identify the record requested, a health care provider that has the patient's medical

records shall permit the patient to examine the record during regular business hours without charge or, on request, shall provide a copy of the record in accordance with section 3701.741 of the Revised Code, except that if a physician or chiropractor who has treated the patient determines for clearly stated treatment reasons that disclosure of the requested record is likely to have an adverse effect on the patient, the health care provider shall provide the record to a physician or chiropractor designated by the patient. The health care provider shall take reasonable steps to establish the identity of the person making the request to examine or obtain a copy of the patient's record.

(C) If a health care provider fails to furnish a medical record as required by division (B) of this section, the patient, personal representative, or authorized person who requested the record may bring a civil action to enforce the patient's right of access to the record.

(D)(1) This section does not apply to medical records whose release is covered by section 173.20 or 3721.13 of the Revised Code, by Chapter 1347. or 5122. of the Revised Code, by 42 C.F.R. part 2, "Confidentiality of Alcohol and Drug Abuse Patient Records," or by 42 C.F.R. 483.10.

(2) Nothing in this section is intended to supersede the confidentiality provisions of sections 2305.24, 2305.25, 2305.251, and 2305.252 of the Revised Code.

Sec. 3701.741. (A) Through December 31, 2008, each health care provider and medical records company shall provide copies of medical records in accordance with this section.

(B) Except as provided in divisions (C) and (E) of this section, a health care provider or medical records company that receives a request for a copy of a patient's medical record shall charge not more than the amounts set forth in this section.

(1) If the request is made by the patient or the patient's personal representative, total costs for copies and all services related to those copies shall not exceed the sum of the following:

(a) With respect to data recorded on paper, the following amounts:

- (i) Two dollars and fifty cents per page for the first ten pages;
- (ii) Fifty-one cents per page for pages eleven through fifty;
- (iii) Twenty cents per page for pages fifty-one and higher;

(b) With respect to data recorded other than on paper, one dollar and seventy cents per page;

(c) The actual cost of any related postage incurred by the health care provider or medical records company.

(2) If the request is made other than by the patient or the patient's

personal representative, total costs for copies and all services related to those copies shall not exceed the sum of the following:

(a) An initial fee of fifteen dollars and thirty-five cents, which shall compensate for the records search;

(b) With respect to data recorded on paper, the following amounts:

(i) One dollar and two cents per page for the first ten pages;

(ii) Fifty-one cents per page for pages eleven through fifty;

(iii) Twenty cents per page for pages fifty-one and higher.

(c) With respect to data recorded other than on paper, one dollar and seventy cents per page;

(d) The actual cost of any related postage incurred by the health care provider or medical records company.

(C)(1) A health care provider or medical records company shall provide one copy without charge to the following:

(a) The bureau of workers' compensation, in accordance with Chapters 4121. and 4123. of the Revised Code and the rules adopted under those chapters;

(b) The industrial commission, in accordance with Chapters 4121. and 4123. of the Revised Code and the rules adopted under those chapters;

(c) The department of job and family services or a county department of job and family services, in accordance with ~~Chapter~~ Chapters 5101. and 5111. of the Revised Code and the rules adopted under those chapters;

(d) The attorney general, in accordance with sections 2743.51 to 2743.72 of the Revised Code and any rules that may be adopted under those sections;

(e) A patient or patient's personal representative if the medical record is necessary to support a claim under Title II or Title XVI of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 401 and 1381, as amended, and the request is accompanied by documentation that a claim has been filed.

(2) Nothing in division (C)(1) of this section requires a health care provider or medical records company to provide a copy without charge to any person or entity not listed in division (C)(1) of this section.

(D) Division (C) of this section shall not be construed to supersede any rule of the bureau of workers' compensation, the industrial commission, or the department of job and family services.

(E) A health care provider or medical records company may enter into a contract with either of the following for the copying of medical records at a fee other than as provided in division (B) of this section:

(1) A patient, a patient's personal representative, or an authorized

person;

(2) An insurer authorized under Title XXXIX of the Revised Code to do the business of sickness and accident insurance in this state or health insuring corporations holding a certificate of authority under Chapter 1751. of the Revised Code.

(F) This section does not apply to medical records the copying of which is covered by section 173.20 of the Revised Code or by 42 C.F.R. 483.10.

Sec. 3702.52. The director of health shall administer a state certificate of need program in accordance with sections 3702.51 to 3702.62 of the Revised Code and rules adopted under those sections.

(A) The director shall issue rulings on whether a particular proposed project is a reviewable activity. The director shall issue a ruling not later than forty-five days after receiving a request for a ruling accompanied by the information needed to make the ruling. If the director does not issue a ruling in that time, the project shall be considered to have been ruled not a reviewable activity.

(B) The director shall review applications for certificates of need. Each application shall be submitted to the director on forms prescribed by the director, shall include all information required by rules adopted under division (B) of section 3702.57 of the Revised Code, and shall be accompanied by the application fee established in rules adopted under division (G) of that section. ~~Application~~

Application fees received by the director under this division shall be deposited into the state treasury to the credit of the certificate of need fund, which is hereby created. The director shall use the fund only to pay the costs of administering sections 3702.11 to 3702.20, 3702.30, and 3702.51 to 3702.62 of the Revised Code and rules adopted under those sections.

The director shall mail to the applicant a written notice that the application meets the criteria for a complete application specified in rules adopted under section 3702.57 of the Revised Code, or a written request for additional information, not later than ~~fifteen~~ thirty days after receiving an application or a response to an earlier request for information. The director shall not make more than two requests for additional information.

The director may conduct a public informational hearing in the course of reviewing any application for a certificate of need, and shall conduct one if requested to do so by any affected person not later than fifteen days after the director mails the notice that the application is complete. The hearing shall be conducted in the community in which the activities authorized by the certificate of need would be carried out. Any affected person may testify at the hearing. The director may, with the health service agency's consent,

designate a health service agency to conduct the hearing.

Except during a public hearing or as necessary to comply with a subpoena issued under division (F) of this section, after a notice of completeness has been received, no person shall knowingly discuss in person or by telephone the merits of the application with the director. If one or more persons request a meeting in person or by telephone, the director shall make a reasonable effort to invite interested parties to the meeting or conference call.

~~(C) Divisions (C)(1) to (7) of this section apply to certificate of need applications for which the director had not issued a written decision prior to April 20, 1995, unless the director was required, under the version of this section in effect immediately prior to June 30, 1995, to grant a certificate of need prior to June 30, 1995, because of a lack of written objections from any affected person. Divisions (C)(1) to (7) of this section do not invalidate any certificate of need that the director was required to grant prior to June 30, 1995, under that circumstance.~~

~~(1) The All of the following apply to the process of granting or denying a certificate of need:~~

~~(1) If the project proposed in a certificate of need application meets all of the applicable certificate of need criteria for approval under sections 3702.51 to 3702.62 of the Revised Code and the rules adopted under those sections, the director shall grant a certificate of need for the entire project that is the subject of the application immediately after both of the following conditions are met:~~

~~(a) The board of trustees of the health service agency of the health service area in which the reviewable activity is proposed to be conducted recommends, prior to the deadline specified in division (C)(4) of this section or any extension of it under division (C)(5) of this section, that the certificate of need be granted;~~

~~(b) The director ~~receives no~~ does not receive any written objections to the application from any affected person by the ~~later of May 20, 1995, or thirty days~~ thirtieth day after the director mails the notice of completeness.~~

~~(2) In the case of certificate of need applications under comparative review, if the projects proposed in the applications meet all of the applicable certificate of need criteria for approval under sections 3702.51 to 3702.62 of the Revised Code and the rules adopted under those sections, the director shall grant certificates of need for the entire projects that are the subject of the applications immediately after both of the following conditions are met:~~

~~(a) The board of trustees of the health service agency of each health service area in which the reviewable activities are proposed to be conducted~~

recommends, prior to the deadline specified in division (C)(4) of this section or any extension of it under division (C)(5) of this section, that certificates of need be granted for each of the reviewable activities to be conducted in its health service area;

(b) The director ~~receives no~~ does not receive any written objections to any of the applications from any affected person by the ~~later of May 20, 1995, or thirty days~~ thirtieth day after the director mails the last notice of completeness.

The director's grant of a certificate of need under division (C)(1) or (2) of this section does not affect, and sets no precedent for, the director's decision to grant or deny other applications for similar reviewable activities proposed to be conducted in the same or different health service areas.

(3) If the director receives written objections to an application from any affected person by the ~~later of May 20, 1995, or thirty days~~ thirtieth day after mailing the notice of completeness, regardless of the health service agency's recommendation, the director shall notify the applicant and assign a hearing examiner to conduct an adjudication hearing concerning the application in accordance with Chapter 119. of the Revised Code. In the case of applications under comparative review, if the director receives written objections to any of the applications from any affected person by the ~~later of May 20, 1995, or thirty days~~ thirtieth day after the director mails the last notice of completeness, regardless of the health service agencies' recommendation, the director shall notify all of the applicants and appoint a hearing examiner to conduct a consolidated adjudication hearing concerning the applications in accordance with Chapter 119. of the Revised Code. The hearing examiner shall be employed by or under contract with the department of health.

The adjudication hearings may be conducted in the health service area in which the reviewable activity is proposed to be conducted. Consolidated adjudication hearings for applications in comparative review may be conducted in the geographic region in which all of the reviewable activities will be conducted. The applicant, the director, and the affected persons that filed objections to the application shall be parties to the hearing. If none of the affected persons that submitted written objections to the application appears or prosecutes the hearing, the hearing examiner shall dismiss the hearing and the director shall grant a certificate of need for the entire project that is the subject of the application if the proposed project meets all of the applicable certificate of need criteria for approval under sections 3702.51 to 3702.62 of the Revised Code and the rules adopted under those sections. The affected persons bear the burden of proving by a preponderance of

evidence that the project is not needed or that granting the certificate would not be in accordance with sections 3702.51 to 3702.62 of the Revised Code or the rules adopted under ~~section 3702.57 of the Revised Code~~ those sections.

(4) Except as provided in divisions (C)(1) and (2) of this section, the director shall grant or deny certificate of need applications for which an adjudication hearing is not conducted under division (C)(3) of this section not later than ~~ninety~~ sixty days after mailing the notice of completeness or, in the case of an application proposing addition of long-term care beds, not later than ~~ninety~~ sixty days after such other time as is specified in rules adopted under section 3702.57 of the Revised Code. The director shall grant or deny certificate of need applications for which an adjudication hearing is conducted under division (C)(3) of this section not later than thirty days after the expiration of the time for filing objections to the report and recommendation of the hearing examiner under section 119.09 of the Revised Code. The director shall base decisions concerning applications for which an adjudication hearing is conducted under division (C)(3) of this section on the report and recommendations of the hearing examiner.

(5) Except as otherwise provided in division (C)(1), (2), or (6) of this section, the director or the applicant may extend the deadline prescribed in division (C)(4) of this section once, for no longer than thirty days, by written notice before the end of the original thirty-day period. An extension by the director under division (C)(5) of this section shall apply to all applications that are in comparative review.

(6) No applicant in a comparative review may extend the deadline specified in division (C)(4) of this section.

(7) Except as provided in divisions (C)(1) and (2) of this section, the director may grant a certificate of need for all or part of the project that is the subject of an application. If the director does not grant or deny the certificate by the applicable deadline specified in division (C)(4) of this section or any extension of it under division (C)(5) of this section, the certificate shall be considered to have been granted. ~~The director, in reviewing certificate of need applications for solid organ transplantation services, may ask for assistance from a statewide transplantation advisory group consisting of qualified professionals and administrators. Such consultation shall not cause the review period for any application to be extended beyond the applicable deadline specified in division (C)(4) of this section or any extension of it under division (C)(5) of this section.~~

~~(D)~~(8) In granting a certificate of need, the director shall specify as the maximum capital expenditure the certificate holder may obligate under the

certificate a figure equal to one hundred ten per cent of the approved project cost.

~~(E)~~(9) In granting a certificate of need, the director may grant the certificate with conditions that must be met by the holder of the certificate.

~~(D)~~ The director shall monitor the activities of persons granted certificates of need concerning long-term care beds during the period beginning with the granting of the certificate of need and ending five years after implementation of the activity for which the certificate was granted.

In the case of any other certificate of need, the director shall monitor the activities of persons granted certificates of need during the period beginning with the granting of the certificate of need and ending when the activity for which the certificate was granted ceases to be a reviewable activity in accordance with section 3702.511 of the Revised Code.

~~(F)~~(E) When reviewing applications for certificates of need or monitoring activities of persons granted certificates of need, the director may issue and enforce, in the manner provided in section 119.09 of the Revised Code, subpoenas duces tecum to compel the production of documents relevant to review of the application or monitoring of the activities. In addition, the director or the director's designee, which may include a health service agency, may visit the sites where the activities are or will be conducted.

~~(G)~~(F) The director may withdraw certificates of need.

~~(H)~~(G) The director shall conduct, on a regular basis, health system data collection and analysis activities and prepare reports. The director shall make recommendations based upon these activities to the public health council concerning the adoption of appropriate rules under section 3702.57 of the Revised Code. All health care facilities and other health care providers shall submit to the director, upon request, any information that is necessary to conduct reviews of certificate of need applications and to develop recommendations for criteria for reviews, and that is prescribed by rules adopted under division (H) of section 3702.57 of the Revised Code.

~~(I)~~(H) Any decision to grant or deny a certificate of need shall consider the special needs and circumstances resulting from moral and ethical values and the free exercise of religious rights of health care facilities administered by religious organizations, and the special needs and circumstances of children's hospitals, inner city hospitals, and small rural hospitals.

Sec. 3702.5211. Notwithstanding any conflicting provision of sections 3702.51 to ~~3702.68~~ 3702.62 of the Revised Code, the veterans' home operated under Chapter 5907. of the Revised Code that is located in Sandusky, including the Secrest nursing home and Giffin care facility, is not

required to obtain a certificate of need for the addition of up to fifty-two additional nursing home beds to be licensed under Chapter 3721. of the Revised Code if the additional beds are placed in service prior to June 30, 1999.

Sec. 3702.5212. (A) This section applies to each long-term care facility that meets the following requirements:

(1) The facility has been in continuous operation for not less than one hundred twenty years prior to the effective date of this section;

(2) The facility is located in an inner city area;

(3) The facility is operating as a nonprofit entity organized under Chapter 1702. of the Revised Code or the nonprofit law of another state.

(B) Notwithstanding any conflicting provision of sections 3702.51 to ~~3702.68~~ 3702.62 of the Revised Code, the owner or operator of a long-term care facility described in division (A) of this section is not required to obtain a certificate of need for the addition of up to thirty long-term care beds to be licensed under Chapter 3721. of the Revised Code. The exemption shall apply only as long as the beds are owned and operated by the facility to which the exemption is granted.

Sec. 3702.5213. Notwithstanding any conflicting provision of sections 3702.51 to ~~3702.68~~ 3702.62 of the Revised Code, the veterans' home operated under Chapter 5907. of the Revised Code that is located in Brown county is not required to obtain a certificate of need for the addition of up to one hundred sixty-eight additional nursing home beds to be licensed under Chapter 3721. of the Revised Code if the additional beds are placed in service prior to December 31, 2004.

Sec. 3702.57. (A) The public health council shall adopt rules establishing procedures and criteria for reviews of applications for certificates of need and issuance, denial, or withdrawal of certificates.

(1) The rules shall require that, in addition to any other applicable review requirements of sections 3702.51 to 3702.62 of the Revised Code and rules adopted thereunder, any application for a certificate of need from an osteopathic hospital be reviewed on the basis of the need for and the availability in the community of services and hospitals for osteopathic physicians and their patients, and in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and doctors of medicine at the student, internship, and residency training levels.

(2) In adopting rules that establish criteria for reviews of applications of certificates of need, the council shall consider the availability of and need for long-term care beds to provide care and treatment to persons diagnosed as having traumatic brain injuries and shall prescribe criteria for reviewing

applications that propose to add long-term care beds to provide care and treatment to persons diagnosed as having traumatic brain injuries.

(3) The criteria for reviews of applications for certificates of need shall relate to the need for the reviewable activity and shall pertain to all of the following matters:

(a) The impact of the reviewable activity on the cost and quality of health services in the relevant geographic area, including, but not limited, to the historical and projected utilization of the services to which the application pertains and the effect of the reviewable activity on utilization of other providers of similar services;

(b) The quality of the services to be provided as the result of the activity, as evidenced by the historical performance of the persons that will be involved in providing the services and by the provisions that are proposed in the application to ensure quality, including but not limited to adequate available personnel, available ancillary and support services, available equipment, size and configuration of physical plant, and relations with other providers;

(c) The impact of the reviewable activity on the availability and accessibility of the type of services proposed in the application to the population of the relevant geographic area, and the level of access to the services proposed in the application that will be provided to medically underserved individuals such as recipients of public assistance and individuals who have no health insurance or whose health insurance is insufficient;

(d) The activity's short- and long-term financial feasibility and cost-effectiveness, the impact of the activity on the applicant's costs and charges, and a comparison of the applicant's costs and charges with those of providers of similar services in the applicant's proposed service area;

(e) The advantages, disadvantages, and costs of alternatives to the reviewable activity;

(f) The impact of the activity on all other providers of similar services in the health service area or other relevant geographic area, including the impact on their utilization, market share, and financial status;

(g) The historical performance of the applicant and related or affiliated parties in complying with previously granted certificates of need and any applicable certification, accreditation, or licensure requirements;

(h) The relationship of the activity to the current edition of the state health resources plan issued under section 3702.521 of the Revised Code;

(i) The historical performance of the applicant and related or affiliated parties in providing cost-effective health care services;

(j) The special needs and circumstances of the applicant or population proposed to be served by the proposed project, including research activities, prevalence of particular diseases, unusual demographic characteristics, cost-effective contractual affiliations, and other special circumstances;

(k) The appropriateness of the zoning status of the proposed site of the activity;

(l) The participation by the applicant in research conducted by the United States food and drug administration or clinical trials sponsored by the national institutes of health.

(4) The criteria for reviews of applications may include formulas for determining need for beds and services.

(a) The criteria prescribing formulas shall not, either by themselves or in conjunction with any established occupancy guidelines, require, as a condition of being granted a certificate of need, that a hospital reduce its complement of registered beds or discontinue any service that is not related to the service or project for which the certificate of need is sought.

(b) With respect to applications to conduct reviewable activities that are affected directly by the inpatient occupancy of a health care facility, including addition, relocation, or recategorization of beds or renovation or other construction activities relating to inpatient services, the rules shall prescribe criteria for determining whether the scope of the proposed project is appropriate in light of the historical and reasonably projected occupancy rates for the beds related to the project.

(c) Any rules prescribing criteria that establish ratios of beds, services, or equipment to population shall specify the bases for establishing the ratios or mitigating factors or exceptions to the ratios.

(B) The council shall adopt rules specifying all of the following:

(1) Information that must be provided in applications for certificates of need, which shall include a plan for obligating the capital expenditure or implementing the proposed project on a timely basis in accordance with section 3702.525 of the Revised Code;

(2) Procedures for reviewing applications for completeness of information;

(3) Criteria for determining that the application is complete.

(C) The council shall adopt rules specifying requirements that holders of certificates of need must meet in order for the certificates to remain valid and establishing definitions and requirements for obligation of capital expenditures and implementation of projects authorized by certificates of need.

(D) The council shall adopt rules establishing criteria and procedures

under which the director of health may withdraw a certificate of need if the holder fails to meet requirements for continued validity of the certificate.

(E) The council shall adopt rules establishing procedures under which the department of health shall monitor project implementation activities of holders of certificates of need. The rules adopted under this division also may establish procedures for monitoring implementation activities of persons that have received nonreviewability rulings.

(F) The council shall adopt rules establishing procedures under which the director of health shall review certificates of need whose holders exceed or appear likely to exceed an expenditure maximum specified in a certificate.

(G) The council shall adopt rules establishing certificate of need application fees sufficient to pay the costs incurred by the department for administering sections 3702.51 to 3702.62 of the Revised Code and to pay health service agencies for the functions they perform under division (D)(5) of section 3702.58 of the Revised Code. Unless rules are adopted under this division establishing different application fees, the application fee for a project not involving a capital expenditure shall be three thousand dollars and the application fee for a project involving a capital expenditure shall be nine-tenths of one per cent of the capital expenditure proposed subject to a minimum of three thousand dollars and a maximum of twenty thousand dollars.

(H) The council shall adopt rules specifying information that is necessary to conduct reviews of certificate of need applications and to develop recommendations for criteria for reviews that health care facilities and other health care providers are to submit to the director under division ~~(H)~~(G) of section 3702.52 of the Revised Code.

(I) The council shall adopt rules defining "affiliated person," "related person," and "ultimate controlling interest" for purposes of section 3702.524 of the Revised Code.

(J) The council shall adopt rules prescribing requirements for holders of certificates of need to demonstrate to the director under section 3702.526 of the Revised Code that reasonable progress is being made toward completion of the reviewable activity and establishing standards by which the director shall determine whether reasonable progress is being made.

(K) The council shall adopt rules defining high-risk cardiac catheterization patients. High-risk patients shall include patients with significant ischemic syndromes or unstable myocardial infarction, patients who need intervention such as angioplasty or bypass surgery, patients who may require difficult or complex catheterization procedures such as

transeptal assessment of valvular dysfunction, patients with critical aortic stenosis or congestive heart failure, and other patients specified by the council.

(L) The public health council shall adopt all rules under divisions (A) to (K) of this section in accordance with Chapter 119. of the Revised Code. The council may adopt other rules as necessary to carry out the purposes of sections 3702.51 to 3702.62 of the Revised Code.

~~Sec. 3702.68~~ 3702.59. (A) Notwithstanding any conflicting provision of sections 3702.51 to 3702.62 of the Revised Code, other than the provisions of sections 3702.5210, 3702.5211, 3702.5212, and 3702.5213 of the Revised Code, both of the following apply under the certificate of need program:

(1) Divisions (B) to (E) of this section applies apply to the review of certificate of need applications during the period beginning July 1, 1993, and ending June 30, 2007 2009.

~~As used in this section, "existing health care facility" has the same meaning as in section 3702.51 of the Revised Code~~ (2) Beginning July 1, 2009, the director of health shall not accept for review under section 3702.52 of the Revised Code any application for a certificate of need to recategorize hospital beds as described in section 3702.522 of the Revised Code.

(B)(1) Except as provided in division (B)(2) of this section, the director of health shall neither grant nor deny any application for a certificate of need submitted prior to July 1, 1993, if the application was for any of the following and the director had not issued a written decision concerning the application prior to that date:

(a) Approval of beds in a new health care facility or an increase of beds in an existing health care facility, if the beds are proposed to be licensed as nursing home beds under Chapter 3721. of the Revised Code;

(b) Approval of beds in a new county home or new county nursing home as defined in section 5155.31 of the Revised Code, or an increase of beds in an existing county home or existing county nursing home, if the beds are proposed to be certified as skilled nursing facility beds under Title XVIII or nursing facility beds under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended;

(c) Recategorization of hospital beds as described in section 3702.522 of the Revised Code, an increase of hospital beds registered pursuant to section 3701.07 of the Revised Code as long-term care beds or skilled nursing facility beds, or a recategorization of hospital beds that would result in an increase of beds registered pursuant to that section as long-term care beds or

skilled nursing facility beds.

On July 1, 1993, the director shall return each such application to the applicant and, notwithstanding section 3702.52 of the Revised Code regarding the uses of the certificate of need fund, shall refund to the applicant the application fee paid under that section. Applications returned under division (B)(1) of this section may be resubmitted in accordance with section 3702.52 of the Revised Code no sooner than July 1, ~~2007~~ 2009.

(2) The director shall continue to review and shall issue a decision regarding any application submitted prior to July 1, 1993, to increase beds for either of the purposes described in division (B)(1)(a) or (b) of this section if the proposed increase in beds is attributable solely to a replacement or relocation of existing beds within the same county. The director shall authorize under such an application no additional beds beyond those being replaced or relocated.

(C)(1) Except as provided in division (C)(2) of this section, the director, during the period beginning July 1, 1993, and ending June 30, ~~2007~~ 2009, shall not accept for review under section 3702.52 of the Revised Code any application for a certificate of need for any of the purposes described in divisions (B)(1)(a) to (c) of this section.

(2)(a) The director shall accept for review any application for either of the purposes described in division (B)(1)(a) or (b) of this section if the proposed increase in beds is attributable solely to a replacement or relocation of existing beds from an existing health care facility within the same county. The director shall authorize under such an application no additional beds beyond those being replaced or relocated.

The director shall not approve an application for a certificate of need for addition of long-term care beds to an existing health care facility by relocation of beds or for the development of a new health care facility by relocation of beds unless all of the following conditions are met:

(i) The existing health care facility to which the beds are being relocated has no waivers for life safety code ~~waivers~~ deficiencies, no state fire code violations, and no state building code violations, or the project identified in the application proposes to correct all life safety code deficiencies for which a waiver has been granted, all state fire code violations, and all state building code violations at the existing health care facility to which the beds are being relocated;

(ii) During the sixty-month period preceding the filing of the application, no notice of proposed revocation of the facility's license was issued under section 3721.03 of the Revised Code to the operator of the existing facility to which the beds are being relocated or to any health care

facility owned or operated by the applicant or any principal participant in the same corporation or other business;

(iii) Neither the existing health care facility to which the beds are being relocated nor any health care facility owned or operated by the applicant or any principal participant in the same corporation or other business has had a long-standing pattern of violations of this chapter or deficiencies that caused one or more residents physical, emotional, mental, or psychosocial harm.

(b) The director also shall accept for review any application for the conversion of infirmary beds to long-term care beds if the infirmary meets all of the following conditions:

(i) Is operated exclusively by a religious order;

(ii) Provides care exclusively to members of religious orders who take vows of celibacy and live by virtue of their vows within the orders as if related;

(iii) Was providing care exclusively to members of such a religious order on January 1, 1994.

(D) The director shall issue a decision regarding any case remanded by a court as the result of a decision issued by the director prior to July 1, 1993, to grant, deny, or withdraw a certificate of need for any of the purposes described in divisions (B)(1)(a) to (c) of this section.

(E) The director shall not project the need for beds listed in division (B)(1) of this section for the period beginning July 1, 1993, and ending June 30, ~~2007~~ 2009.

~~This section is an interim section effective until July 1, 2007.~~

Sec. ~~3702.63~~ 3702.591. As specified in former Section 11 of Am. Sub. S.B. 50 of the 121st general assembly, as amended by Am. Sub. H.B. 405 of the 124th general assembly, all of the following apply:

(A) The removal of former divisions (E) and (F) of section 3702.52 of the Revised Code by Sections 1 and 2 of Am. Sub. S.B. 50 of the 121st general assembly does not release the holders of certificates of need issued under those divisions from complying with any conditions on which the granting of the certificates of need was based, including the requirement of former division (E)(6) of that section that the holders not enter into provider agreements under Chapter 5111. of the Revised Code and Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended, for at least ten years following initial licensure of the long-term care facilities for which the certificates were granted.

(B) The repeal of section 3702.55 of the Revised Code by Section 2 of Am. Sub. S.B. 50 of the 121st general assembly does not release the holders of certificates of need issued under that section from complying with any

conditions on which the granting of the certificates of need was based, other than the requirement of division (A)(6) of that section that the holders not seek certification under Title XVIII of the "Social Security Act" for beds recategorized under the certificates. That repeal also does not eliminate the requirement that the director of health revoke the licensure of the beds under Chapter 3721. of the Revised Code if a person to which their ownership is transferred fails, as required by division (A)(6) of the repealed section, to file within ten days after the transfer a sworn statement not to seek certification under Title XIX of the "Social Security Act" for beds recategorized under the certificates of need.

(C) The repeal of section 3702.56 of the Revised Code by Section 2 of Am. Sub. S.B. 50 of the 121st general assembly does not release the holders of certificates of need issued under that section from complying with any conditions on which the granting of the certificates of need was based.

Sec. 3704.03. The director of environmental protection may do any of the following:

(A) Develop programs for the prevention, control, and abatement of air pollution;

(B) Advise, consult, contract, and cooperate with any governmental or private agency in the furtherance of the purposes of this chapter;

(C) Encourage, participate in, or conduct studies, investigations, and research relating to air pollution, collect and disseminate information, and conduct education and training programs relating to the causes, prevention, control, and abatement of air pollution;

(D) Adopt, modify, and rescind rules prescribing ambient air quality standards for the state as a whole or for various areas of the state that are consistent with and no more stringent than the national ambient air quality standards in effect under the federal Clean Air Act;

(E) Adopt, modify, suspend, and rescind rules for the prevention, control, and abatement of air pollution, including rules prescribing for the state as a whole or for various areas of the state emission standards for air contaminants, and other necessary rules for the purpose of achieving and maintaining compliance with ambient air quality standards in all areas within the state as expeditiously as practicable, but not later than any deadlines applicable under the federal Clean Air Act; rules for the prevention or control of the emission of hazardous or toxic air contaminants; rules prescribing fugitive dust limitations and standards that are related, on an areawide basis, to attainment and maintenance of ambient air quality standards; rules prescribing shade, density, or opacity limitations and standards for emissions, provided that with regard to air contaminant

sources for which there are particulate matter emission standards in addition to a shade, density, or opacity rule, upon demonstration by such a source of compliance with those other standards, the shade, density, or opacity rule shall provide for establishment of a shade, density, or opacity limitation for that source that does not require the source to reduce emissions below the level specified by those other standards; rules for the prevention or control of odors and air pollution nuisances; rules that prevent significant deterioration of air quality to the extent required by the federal Clean Air Act; rules for the protection of visibility as required by the federal Clean Air Act; and rules prescribing open burning limitations and standards. In adopting, modifying, suspending, or rescinding any such rules, the director, to the extent consistent with the federal Clean Air Act, shall hear and give consideration to evidence relating to all of the following:

(1) Conditions calculated to result from compliance with the rules, the overall cost within this state of compliance with the rules, and their relation to benefits to the people of the state to be derived from that compliance;

(2) The quantity and characteristics of air contaminants, the frequency and duration of their presence in the ambient air, and the dispersion and dilution of those contaminants;

(3) Topography, prevailing wind directions and velocities, physical conditions, and other factors that may or may combine to affect air pollution.

Consistent with division (K) of section 3704.036 of the Revised Code, the director shall consider alternative emission limits proposed by the owner or operator of an air contaminant source that is subject to an emission limit established in rules adopted under this division and shall accept those alternative emission limits that the director determines to be equivalent to emission limits established in rules adopted under this division.

(F)(1) Adopt, modify, suspend, and rescind rules consistent with the purposes of this chapter prohibiting the location, installation, construction, or modification of any air contaminant source or any machine, equipment, device, apparatus, or physical facility intended primarily to prevent or control the emission of air contaminants unless an installation permit therefor has been obtained from the director or the director's authorized representative.

(2) Applications for installation permits shall be accompanied by plans, specifications, construction schedules, and such other pertinent information and data, including data on ambient air quality impact and a demonstration of best available technology, as the director may require. Installation permits shall be issued for a period specified by the director and are transferable.

The director shall specify in each permit the applicable emission standards and that the permit is conditioned upon payment of the applicable fees as required by section 3745.11 of the Revised Code and upon the right of the director's authorized representatives to enter upon the premises of the person to whom the permit has been issued, at any reasonable time and subject to safety requirements of the person in control of the premises, for the purpose of determining compliance with such standards, this chapter, the rules adopted thereunder, and the conditions of any permit, variance, or order issued thereunder. Each proposed new or modified air contaminant source shall provide such notice of its proposed installation or modification to other states as is required under the federal Clean Air Act. Installation permits shall include the authorization to operate sources installed and operated in accordance with terms and conditions of the installation permits for a period not to exceed one year from commencement of operation, which authorization shall constitute an operating permit under division (G) of this section and rules adopted under it.

No installation permit shall be required for activities that are subject to and in compliance with a plant-wide applicability limit issued by the director in accordance with rules adopted under this section.

No installation permit shall be issued except in accordance with all requirements of this chapter and rules adopted thereunder. No application shall be denied or permit revoked or modified without a written order stating the findings upon which denial, revocation, or modification is based. A copy of the order shall be sent to the applicant or permit holder by certified mail.

(3) Not later than two years after ~~the effective date of this amendment~~ August 3, 2006, the director shall adopt a rule in accordance with Chapter 119. of the Revised Code specifying that a permit to install is required only for new or modified air contaminant sources that emit any of the following air contaminants:

(a) An air contaminant or precursor of an air contaminant for which a national ambient air quality standard has been adopted under the federal Clean Air Act;

(b) An air contaminant for which the air contaminant source is regulated under the federal Clean Air Act;

(c) An air contaminant that presents, or may present, through inhalation or other routes of exposure, a threat of adverse human health effects, including, but not limited to, substances that are known to be, or may reasonably be anticipated to be, carcinogenic, mutagenic, teratogenic, or neurotoxic, that cause reproductive dysfunction, or that are acutely or chronically toxic, or a threat of adverse environmental effects whether

through ambient concentrations, bioaccumulation, deposition, or otherwise, and that is identified in the rule by chemical name and chemical abstract service number.

The director may modify the rule adopted under division (F)(3)(c) of this section for the purpose of adding or deleting air contaminants. For each air contaminant that is contained in or deleted from the rule adopted under division (F)(3)(c) of this section, the director shall include in a notice accompanying any proposed or final rule an explanation of the director's determination that the air contaminant meets the criteria established in that division and should be added to, or no longer meets the criteria and should be deleted from, the list of air contaminants. The explanation shall include an identification of the scientific evidence on which the director relied in making the determination. Until adoption of the rule under division (F)(3)(c) of this section, nothing shall affect the director's authority to issue, deny, modify, or revoke permits to install under this chapter and rules adopted under it.

(4)(a) Applications for permits to install new or modified air contaminant sources shall contain sufficient information regarding air contaminants for which the director may require a permit to install to determine conformity with the environmental protection agency's document entitled "Review of New Sources of Air Toxics Emissions, Option A," dated May 1986, which the director shall use to evaluate toxic emissions from new or modified air contaminant sources. The director shall make copies of the document available to the public upon request at no cost and post the document on the environmental protection agency's web site. Any inconsistency between the document and division (F)(4) of this section shall be resolved in favor of division (F)(4) of this section.

(b) The maximum acceptable ground level concentration of an air contaminant shall be calculated in accordance with the document entitled "Review of New Sources of Air Toxics Emissions, Option A." Modeling shall be conducted to determine the increase in the ground level concentration of an air contaminant beyond the facility's boundary caused by the emissions from a new or modified source that is the subject of an application for a permit to install. Modeling shall be based on the maximum hourly rate of emissions from the source using information including, but not limited to, any emission control devices or methods, operational restrictions, stack parameters, and emission dispersion devices or methods that may affect ground level concentrations, either individually or in combination. The director shall determine whether the activities for which a permit to install is sought will cause an increase in the ground level

concentration of one or more relevant air contaminants beyond the facility's boundary by an amount in excess of the maximum acceptable ground level concentration. In making the determination as to whether the maximum acceptable ground level concentration will be exceeded, the director shall give consideration to the modeling conducted under division (F)(4)(b) of this section and other relevant information submitted by the applicant.

(c) If the modeling conducted under division (F)(4)(b) of this section with respect to an application for a permit to install demonstrates that the maximum ground level concentration from a new or modified source will be greater than or equal to eighty per cent, but less than one hundred per cent of the maximum acceptable ground level concentration for an air contaminant, the director may establish terms and conditions in the permit to install for the air contaminant source that will require the owner or operator of the air contaminant source to maintain emissions of that air contaminant commensurate with the modeled level, which shall be expressed as allowable emissions per day. In order to calculate the allowable emissions per day, the director shall multiply the hourly emission rate modeled under division (F)(4)(b) of this section to determine the ground level concentration by the operating schedule that has been identified in the permit to install application. Terms and conditions imposed under division (F)(4)(c) of this section are not federally enforceable requirements and, if included in a Title V permit, shall be placed in the portion of the permit that is only enforceable by the state.

(d) If the modeling conducted under division (F)(4)(b) of this section with respect to an application for a permit to install demonstrates that the maximum ground level concentration from a new or modified source will be less than eighty per cent of the maximum acceptable ground level concentration, the owner or operator of the source annually shall report to the director, on a form prescribed by the director, whether operations of the source are consistent with the information regarding the operations that was used to conduct the modeling with regard to the permit to install application. The annual report to the director shall be in lieu of an emission limit or other permit terms and conditions imposed pursuant to division (F)(4) of this section. The director may consider any significant departure from the operations of the source described in the permit to install application that results in greater emissions than the emissions rate modeled to determine the ground level concentration as a modification and require the owner or operator to submit a permit to install application for the increased emissions. The requirements established in division (F)(4)(d) of this section are not federally enforceable requirements and, if included in a Title V permit, shall

be placed in the portion of the permit that is only enforceable by the state.

(e) Division (F)(4) of this section and the document entitled "Review of New Sources of Air Toxics Emissions, Option A" shall not be included in the state implementation plan under section 110 of the federal Clean Air Act and do not apply to an air contaminant source that is subject to a maximum achievable control technology standard or residual risk standard under section 112 of the federal Clean Air Act, to a particular air contaminant identified under 40 C.F.R. 51.166, division (b)(23), for which the director has determined that the owner or operator of the source is required to install best available control technology for that particular air contaminant, or to a particular air contaminant for which the director has determined that the source is required to meet the lowest achievable emission rate, as defined in 40 C.F.R. part 51, Appendix S, for that particular air contaminant.

(f)(i) Division (F)(4) of this section and the document entitled "Review of New Sources of Air Toxics Emissions, Option A" do not apply to parking lots, storage piles, storage tanks, transfer operations, grain silos, grain dryers, emergency generators, gasoline dispensing operations, air contaminant sources that emit air contaminants solely from the combustion of fossil fuels, or the emission of wood dust, sand, glass dust, coal dust, silica, and grain dust.

(ii) Notwithstanding division (F)(4)(f)(i) of this section, the director may require an individual air contaminant source that is within one of the source categories identified in division (F)(4)(f)(i) of this section to submit information in an application for a permit to install a new or modified source in order to determine the source's conformity to the document if the director has information to conclude that the particular new or modified source will potentially cause an increase in ground level concentration beyond the facility's boundary that exceeds the maximum acceptable ground level concentration as set forth in the document.

(iii) The director may adopt rules in accordance with Chapter 119. of the Revised Code that are consistent with the purposes of this chapter and that add to or delete from the source category exemptions established in division (F)(4)(f)(i) of this section.

(5) Not later than one year after ~~the effective date of this amendment~~ August 3, 2006, the director shall adopt rules in accordance with Chapter 119. of the Revised Code specifying activities that do not, by themselves, constitute beginning actual construction activities related to the installation or modification of an air contaminant source for which a permit to install is required such as the grading and clearing of land, on-site storage of portable parts and equipment, and the construction of foundations or buildings that

do not themselves emit air contaminants. The rules also shall allow specified initial activities that are part of the installation or modification of an air contaminant source, such as the installation of electrical and other utilities for the source, prior to issuance of a permit to install, provided that the owner or operator of the source has filed a complete application for a permit to install, the director or the director's designee has determined that the application is complete, and the owner or operator of the source has notified the director that this activity will be undertaken prior to the issuance of a permit to install. Any activity that is undertaken by the source under those rules shall be at the risk of the owner or operator. The rules shall not apply to activities that are precluded prior to permit issuance under section 111, section 112, Part C of Title I, and Part D of Title I of the federal Clean Air Act.

(G) Adopt, modify, suspend, and rescind rules prohibiting the operation or other use of any new, modified, or existing air contaminant source unless an operating permit has been obtained from the director or the director's authorized representative, or the air contaminant source is being operated in compliance with the conditions of a variance issued pursuant to division (H) of this section. Applications for operating permits shall be accompanied by such plans, specifications, and other pertinent information as the director may require. Operating permits may be issued for a period determined by the director not to exceed ~~five~~ ten years, are renewable, and are transferable. The director shall specify in each operating permit that the permit is conditioned upon payment of the applicable fees as required by section 3745.11 of the Revised Code and upon the right of the director's authorized representatives to enter upon the premises of the person to whom the permit has been issued, at any reasonable time and subject to safety requirements of the person in control of the premises, for the purpose of determining compliance with this chapter, the rules adopted thereunder, and the conditions of any permit, variance, or order issued thereunder. Operating permits may be denied or revoked for failure to comply with this chapter or the rules adopted thereunder. An operating permit shall be issued only upon a showing satisfactory to the director or the director's representative that the air contaminant source is being operated in compliance with applicable emission standards and other rules or upon submission of a schedule of compliance satisfactory to the director for a source that is not in compliance with all applicable requirements at the time of permit issuance, provided that the compliance schedule shall be consistent with and at least as stringent as that contained in any judicial consent decree or administrative order to which the air contaminant source is subject. The rules shall provide for the

issuance of conditional operating permits for such reasonable periods as the director may determine to allow the holder of an installation permit, who has constructed, installed, located, or modified a new air contaminant source in accordance with the provisions of an installation permit, to make adjustments or modifications necessary to enable the new air contaminant source to comply with applicable emission standards and other rules. Terms and conditions of operating permits issued pursuant to this division shall be federally enforceable for the purpose of establishing the potential to emit of a stationary source and shall be expressly designated as federally enforceable. Any such federally enforceable restrictions on a source's potential to emit shall include both an annual limit and a short-term limit of not more than thirty days for each pollutant to be restricted together with adequate methods for establishing compliance with the restrictions. In other respects, operating permits issued pursuant to this division are enforceable as state law only. No application shall be denied or permit revoked or modified without a written order stating the findings upon which denial, revocation, or modification is based. A copy of the order shall be sent to the applicant or permit holder by certified mail.

(H) Adopt, modify, and rescind rules governing the issuance, revocation, modification, or denial of variances that authorize emissions in excess of the applicable emission standards.

No variance shall be issued except pursuant to those rules. The rules shall prescribe conditions and criteria in furtherance of the purposes of this chapter and consistent with the federal Clean Air Act governing eligibility for issuance of variances, which shall include all of the following:

(1) Provisions requiring consistency of emissions authorized by a variance with timely attainment and maintenance of ambient air quality standards;

(2) Provisions prescribing the classes and categories of air contaminants and air contaminant sources for which variances may be issued;

(3) Provisions defining the circumstances under which an applicant shall demonstrate that compliance with applicable emission standards is technically infeasible, economically unreasonable, or impossible because of conditions beyond the control of the applicant;

(4) Other provisions prescribed in furtherance of the goals of this chapter.

The rules shall prohibit the issuance of variances from any emission limitation that was applicable to a source pursuant to an installation permit and shall prohibit issuance of variances that conflict with the federal Clean Air Act.

Applications for variances shall be accompanied by such information as the director may require. In issuing variances, the director may order the person to whom a variance is issued to furnish plans and specifications and such other information and data, including interim reports, as the director may require and to proceed to take such action within such time as the director may determine to be appropriate and reasonable to prevent, control, or abate the person's existing emissions of air contaminants. The director shall specify in each variance that the variance is conditioned upon payment of the applicable fees as required by section 3745.11 of the Revised Code and upon the right of the director's authorized representatives to enter upon the premises of the person to whom the variance has been issued, at any reasonable time and subject to safety requirements of the person in control of the premises, for the purpose of determining compliance with this chapter, the rules adopted thereunder, and the conditions of any permit, variance, or order issued thereunder.

The director may hold a public hearing on an application for a variance or renewal thereof at a location in the county where the variance is sought. The director shall give not less than twenty days' notice of the hearing to the applicant by certified mail and cause at least one publication of notice in a newspaper with general circulation in the county where the variance is sought. The director shall keep available for public inspection at the principal office of the environmental protection agency a current schedule of pending applications for variances and a current schedule of pending variance hearings. The director shall make a complete stenographic record of testimony and other evidence submitted at the hearing. The director shall make a written determination to issue, renew, or deny the variance and shall enter the determination and the basis therefor into the record of the hearing. The director shall issue, renew, or deny an application for a variance or renewal thereof, or issue a proposed action upon the application pursuant to section 3745.07 of the Revised Code, within six months of the date upon which the director receives a complete application with all pertinent information and data required by the director.

Any variance granted pursuant to rules adopted under this division shall be for a period specified by the director, not to exceed three years, and may be renewed from time to time on such terms and for such periods, not to exceed three years each, as the director determines to be appropriate. A variance may be revoked, or renewal denied, for failure to comply with conditions specified in the variance. No variance shall be issued, denied, revoked, or modified without a written order stating the findings upon which the issuance, denial, revocation, or modification is based. A copy of the

order shall be sent to the applicant or variance holder by certified mail.

(I) Require the owner or operator of an air contaminant source to install, employ, maintain, and operate such emissions, ambient air quality, meteorological, or other monitoring devices or methods as the director shall prescribe; to sample those emissions at such locations, at such intervals, and in such manner as the director prescribes; to maintain records and file periodic reports with the director containing information as to location, size, and height of emission outlets, rate, duration, and composition of emissions, and any other pertinent information the director prescribes; and to provide such written notice to other states as the director shall prescribe. In requiring monitoring devices, records, and reports, the director, to the extent consistent with the federal Clean Air Act, shall give consideration to technical feasibility and economic reasonableness and allow reasonable time for compliance. For sources where a specific monitoring, record-keeping, or reporting requirement is specified for a particular air contaminant from a particular air contaminant source in an applicable regulation adopted by the United States environmental protection agency under the federal Clean Air Act or in an applicable rule adopted by the director, the director shall not impose an additional requirement in a permit that is a different monitoring, record-keeping, or reporting requirement other than the requirement specified in the applicable regulation or rule for that air contaminant except as otherwise agreed to by the owner or operator of the air contaminant source and the director. If two or more regulations or rules impose different monitoring, record-keeping, or reporting requirements for the same air contaminant from the same air contaminant source, the director may impose permit terms and conditions that consolidate or streamline the monitoring, record-keeping, or reporting requirements in a manner that conforms with each applicable requirement. To the extent consistent with the federal Clean Air Act and except as otherwise agreed to by the owner or operator of an air contaminant source and the director, the director shall not require an operating restriction that has the practical effect of increasing the stringency of an existing applicable emission limitation or standard.

(J) Establish, operate, and maintain monitoring stations and other devices designed to measure air pollution and enter into contracts with any public or private agency for the establishment, operation, or maintenance of such stations and devices;

(K) By rule adopt procedures for giving reasonable public notice and conducting public hearings on any plans for the prevention, control, and abatement of air pollution that the director is required to submit to the federal government;

(L) Through any employee, agent, or authorized representative of the director or the environmental protection agency, enter upon private or public property, including improvements thereon, at any reasonable time, to make inspections, take samples, conduct tests, and examine records or reports pertaining to any emission of air contaminants and any monitoring equipment or methods and to determine if there are any actual or potential emissions from such premises and, if so, to determine the sources, amounts, contents, and extent of those emissions, or to ascertain whether there is compliance with this chapter, any orders issued or rules adopted thereunder, or any other determination of the director. The director, at reasonable times, may have access to and copy any such records. If entry or inspection authorized by this division is refused, hindered, or thwarted, the director or the director's authorized representative may by affidavit apply for, and any judge of a court of record may issue, an appropriate inspection warrant necessary to achieve the purposes of this chapter within the court's territorial jurisdiction.

(M) Accept and administer gifts or grants from the federal government and from any other source, public or private, for carrying out any of the functions under this chapter;

(N) Obtain necessary scientific, technical, and laboratory services;

(O) Establish advisory boards in accordance with section 121.13 of the Revised Code;

(P) Delegate to any city or general health district or political subdivision of the state any of the director's enforcement and monitoring powers and duties, other than rule-making powers, as the director elects to delegate, and in addition employ, compensate, and prescribe the powers and duties of such officers, employees, and consultants as are necessary to enable the director to exercise the authority and perform duties imposed upon the director by law. Technical and other services shall be performed, insofar as practical, by personnel of the environmental protection agency.

(Q) Certify to the government of the United States or any agency thereof that an industrial air pollution facility is in conformity with the state program or requirements for control of air pollution whenever such certificate is required for a taxpayer pursuant to any federal law or requirements;

(R) Issue, modify, or revoke orders requiring abatement of or prohibiting emissions that violate applicable emission standards or other requirements of this chapter and rules adopted thereunder, or requiring emission control devices or measures in order to comply with applicable emission standards or other requirements of this chapter and rules adopted

thereunder. Any such order shall require compliance with applicable emission standards by a specified date and shall not conflict with any requirement of the federal Clean Air Act. In the making of such orders, the director, to the extent consistent with the federal Clean Air Act, shall give consideration to, and base the determination on, evidence relating to the technical feasibility and economic reasonableness of compliance with such orders and their relation to benefits to the people of the state to be derived from such compliance. If, under the federal Clean Air Act, any such order shall provide for the posting of a bond or surety to secure compliance with the order as a condition of issuance of the order, the order shall so provide, but only to the extent required by the federal Clean Air Act.

(S) To the extent provided by the federal Clean Air Act, adopt, modify, and rescind rules providing for the administrative assessment and collection of monetary penalties, not in excess of those required pursuant to the federal Clean Air Act, for failure to comply with any emission limitation or standard, compliance schedule, or other requirement of any rule, order, permit, or variance issued or adopted under this chapter or required under the applicable implementation plan whether or not the source is subject to a federal or state consent decree. The director may require the submission of compliance schedules, calculations of penalties for noncompliance, and related information. Any orders, payments, sanctions, or other requirements imposed pursuant to rules adopted under this division shall be in addition to any other permits, orders, payments, sanctions, or other requirements established under this chapter and shall not affect any civil or criminal enforcement proceedings brought under any provision of this chapter or any other provision of state or local law. This division does not apply to any requirement of this chapter regarding the prevention or abatement of odors.

(T) Require new or modified air contaminant sources to install best available technology, but only in accordance with this division. With respect to permits issued pursuant to division (F) of this section beginning three years after ~~the effective date of this amendment~~ August 3, 2006, best available technology for air contaminant sources and air contaminants emitted by those sources that are subject to standards adopted under section 112, Part C of Title I, and Part D of Title I of the federal Clean Air Act shall be equivalent to and no more stringent than those standards. For an air contaminant or precursor of an air contaminant for which a national ambient air quality standard has been adopted under the federal Clean Air Act, best available technology only shall be required to the extent required by rules adopted under Chapter 119. of the Revised Code for permit to install applications filed three or more years after ~~the effective date of this~~

~~amendment~~ August 3, 2006.

Best available technology requirements established in rules adopted under this division shall be expressed only in one of the following ways that is most appropriate for the applicable source or source categories:

- (1) Work practices;
- (2) Source design characteristics or design efficiency of applicable air contaminant control devices;
- (3) Raw material specifications or throughput limitations averaged over a twelve-month rolling period;
- (4) Monthly allowable emissions averaged over a twelve-month rolling period.

Best available technology requirements shall not apply to an air contaminant source that has the potential to emit, taking into account air pollution controls installed on the source, less than ten tons per year of emissions of an air contaminant or precursor of an air contaminant for which a national ambient air quality standard has been adopted under the federal Clean Air Act. In addition, best available technology requirements established in rules adopted under this division shall not apply to any existing, new, or modified air contaminant source that is subject to a plant-wide applicability limit that has been approved by the director. Further, best available technology requirements established in rules adopted under this division shall not apply to general permits issued prior to January 1, 2006, under rules adopted under this chapter.

For permits to install issued three or more years after ~~the effective date of this amendment~~ August 3, 2006, any new or modified air contaminant source that has the potential to emit, taking into account air pollution controls installed on the source, ten or more tons per year of volatile organic compounds or nitrogen oxides shall meet, at a minimum, the requirements of any applicable reasonably available control technology rule in effect as of January 1, 2006, regardless of the location of the source.

(U) Consistent with section 507 of the federal Clean Air Act, adopt, modify, suspend, and rescind rules for the establishment of a small business stationary source technical and environmental compliance assistance program as provided in section 3704.18 of the Revised Code;

(V) Provide for emissions trading, marketable permits, auctions of emission rights, and economic incentives that would reduce the cost or increase the efficiency of achieving a specified level of environmental protection;

(W) Provide for the construction of an air contaminant source prior to obtaining a permit to install pursuant to division (F) of this section if the

applicant demonstrates that the source will be installed to comply with all applicable emission limits and will not adversely affect public health or safety or the environment and if the director determines that such an action will avoid an unreasonable hardship on the owner or operator of the source. Any such determination shall be consistent with the federal Clean Air Act.

(X) Exercise all incidental powers, including adoption of rules, required to carry out this chapter.

The environmental protection agency shall develop a plan to control air pollution resulting from state-operated facilities and property.

Sec. 3704.14. (A) It is the intent of the general assembly that the enhanced motor vehicle inspection and maintenance program that was in operation pursuant to the federal Clean Air Act on January 3, 2006, in certain counties of this state pursuant to a contract that is scheduled to expire on December 31, 2007, not be extended beyond that date in those counties. If the governor determines that the extension of a transportation-based ozone reduction program in those counties is necessary to comply with federal law, the governor, by executive order, may extend the compliance efforts of this state for one year using the most cost effective, least costly, consumer accommodating, and decentralized available technology and approaches that meet federal performance standards, using an open public bidding process. Thereafter, if the governor determines that continuation of the enhanced motor vehicle inspection and maintenance program is necessary in those counties to comply with federal law, the governor, by executive order, may extend that program for an additional year or as otherwise required to comply with applicable law. The cost of any program shall be paid by the state from the auto emissions test fund, which is hereby created in the state treasury. The fund shall consist of money appropriated to it and shall be administered by the director of environmental protection.

An executive order issued under this division shall include provisions providing the authority that is necessary for the environmental protection agency to adopt decentralized approaches that meet federal performance standards through program design changes that affect normal inspection and maintenance input parameters to the mobile source emission factor model or through program changes that reduce in-use mobile source emissions. Upon issuance of such an executive order, the governor shall notify the general assembly in writing of the governor's decision to issue the executive order.

(B)(1) It is the intent of the general assembly that a tailpipe motor vehicle inspection and maintenance program not be implemented in any county in the state. Moreover, it is the intent of the general assembly that, if a motor vehicle-based ozone testing program is mandated by federal law for

counties in the northeastern portion of this state, a tailpipe motor vehicle inspection and maintenance program not be implemented and that an onboard diagnostic only inspection and gas-cap testing program be utilized to satisfy any federal requirements for vehicle emissions testing.

(2) If any motor vehicle testing program is established under this section, the director shall ensure that motor vehicles that are four years old or newer are exempt from the testing program.

(C) Not later than thirty days after the effective date of this section and on the first day of January of each subsequent year, the director shall request the United States environmental protection agency to provide to the director a list of alternative approaches to meet federal performance standards and program changes that this state may employ to comply with the federal Clean Air Act in lieu of the implementation of a motor vehicle inspection and maintenance program. Based on the information received from the United States environmental protection agency, the director shall prepare a report concerning those alternative approaches. The director shall issue the report and provide it to the general assembly not later than thirty days after receiving the list of alternative approaches from the United States environmental protection agency.

Sec. 3705.24. (A)(1) The public health council shall, in accordance with section 111.15 of the Revised Code, adopt rules prescribing fees for the following services provided by the state office of vital statistics:

(a) Except as provided in division (A)(4) of this section:

(i) A certified copy of a vital record or a certification of birth;

(ii) A search by the office of vital statistics of its files and records pursuant to a request for information, regardless of whether a copy of a record is provided;

(iii) A copy of a record provided pursuant to a request;

(b) Replacement of a birth certificate following an adoption, legitimation, paternity determination or acknowledgement, or court order;

(c) Filing of a delayed registration of a vital record;

(d) Amendment of a vital record that is requested later than one year after the filing date of the vital record;

(e) Any other documents or services for which the public health council considers the charging of a fee appropriate.

(2) Fees prescribed under division (A)(1)(a) of this section shall not be less than seven dollars.

(3) Fees prescribed under division (A)(1) of this section shall be collected in addition to any fees required by sections 3109.14 and 3705.242 of the Revised Code.

(4) Fees prescribed under division (A) of this section shall not apply to certifications issued under division (H) of this section or copies provided under section 3705.241 of the Revised Code.

(B) In addition to the fees prescribed under division (A) of this section or section 3709.09 of the Revised Code, the office of vital statistics or the board of health of a city or general health district shall charge a five-dollar fee for each certified copy of a vital record and each certification of birth. This fee shall be deposited in the general operations fund created under section 3701.83 of the Revised Code and be used ~~solely toward~~ to support the operations, the modernization, and the automation of the ~~system of~~ vital records program in this state. A board of health shall forward all fees collected under this division to the department of health not later than thirty days after the end of each calendar quarter.

(C) Except as otherwise provided in division (H) of this section, and except as provided in section 3705.241 of the Revised Code, fees collected by the director of health under sections 3705.01 to 3705.29 of the Revised Code shall be paid into the state treasury to the credit of the general operations fund created by section 3701.83 of the Revised Code. Except as provided in division (B) of this section, money generated by the fees shall be used only for administration and enforcement of this chapter and the rules adopted under it. Amounts submitted to the department of health for copies of vital records or services in excess of the fees imposed by this section shall be dealt with as follows:

(1) An overpayment of two dollars or less shall be retained by the department and deposited in the state treasury to the credit of the general operations fund created by section 3701.83 of the Revised Code.

(2) An overpayment in excess of two dollars shall be returned to the person who made the overpayment.

(D) If a local registrar is a salaried employee of a city or a general health district, any fees the local registrar receives pursuant to section 3705.23 of the Revised Code shall be paid into the general fund of the city or the health fund of the general health district.

Each local registrar of vital statistics, or each health district where the local registrar is a salaried employee of the district, shall be entitled to a fee for each birth, fetal death, death, or military service certificate properly and completely made out and registered with the local registrar or district and correctly copied and forwarded to the office of vital statistics in accordance with the population of the primary registration district at the last federal census. The fee for each birth, fetal death, death, or military service certificate shall be:

(1) In primary registration districts of over two hundred fifty thousand, twenty cents;

(2) In primary registration districts of over one hundred twenty-five thousand and less than two hundred fifty thousand, sixty cents;

(3) In primary registration districts of over fifty thousand and less than one hundred twenty-five thousand, eighty cents;

(4) In primary registration districts of less than fifty thousand, one dollar.

(E) The director of health shall annually certify to the county treasurers of the several counties the number of birth, fetal death, death, and military service certificates registered from their respective counties with the names of the local registrars and the amounts due each registrar and health district at the rates fixed in this section. Such amounts shall be paid by the treasurer of the county in which the registration districts are located. No fees shall be charged or collected by registrars except as provided by this chapter and section 3109.14 of the Revised Code.

(F) A probate judge shall be paid a fee of fifteen cents for each certified abstract of marriage prepared and forwarded by the probate judge to the department of health pursuant to section 3705.21 of the Revised Code. The fee shall be in addition to the fee paid for a marriage license and shall be paid by the applicants for the license.

(G) The clerk of a court of common pleas shall be paid a fee of one dollar for each certificate of divorce, dissolution, and annulment of marriage prepared and forwarded by the clerk to the department pursuant to section 3705.21 of the Revised Code. The fee for the certified abstract of divorce, dissolution, or annulment of marriage shall be added to the court costs allowed in these cases.

(H) The fee for an heirloom certification of birth issued pursuant to division (B)(2) of section 3705.23 of the Revised Code shall be an amount prescribed by rule by the director of health plus any fee required by section 3109.14 of the Revised Code. In setting the amount of the fee, the director shall establish a surcharge in addition to an amount necessary to offset the expense of processing heirloom certifications of birth. The fee prescribed by the director of health pursuant to this division shall be deposited into the state treasury to the credit of the heirloom certification of birth fund which is hereby created. Money credited to the fund shall be used by the office of vital statistics to offset the expense of processing heirloom certifications of birth. However, the money collected for the surcharge, subject to the approval of the controlling board, shall be used for the purposes specified by the family and children first council pursuant to section 121.37 of the

Revised Code.

Sec. 3706.01. As used in this chapter:

(A) "Governmental agency" means a department, division, or other unit of state government, a municipal corporation, county, township, and other political subdivision, or any other public corporation or agency having the power to acquire, construct, or operate air quality facilities, the United States or any agency thereof, and any agency, commission, or authority established pursuant to an interstate compact or agreement.

(B) "Person" means any individual, firm, partnership, association, or corporation, or any combination thereof.

(C) "Air contaminant" means particulate matter, dust, fumes, gas, mist, smoke, noise, vapor, heat, radioactivity, radiation, or odorous substance, or any combination thereof.

(D) "Air pollution" means the presence in the ambient air of one or more air contaminants in sufficient quantity and of such characteristics and duration as to injure human health or welfare, plant or animal life, or property, or that unreasonably interferes with the comfortable enjoyment of life or property.

(E) "Ambient air" means that portion of the atmosphere outside of buildings and other enclosures, stacks, or ducts that surrounds human, plant, or animal life, or property.

(F) "Emission" means the release into the outdoor atmosphere of an air contaminant.

(G) "Air quality facility" means any of the following:

(1) Any method, modification or replacement of property, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants or substances containing air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air, including, without limitation, facilities and expenditures that qualify as air pollution control facilities under section 103 (C)(4)(F) of the Internal Revenue Code of 1954, as amended, and regulations adopted thereunder;

(2) Motor vehicle inspection stations operated in accordance with, and any equipment used for motor vehicle inspections conducted under, section 3704.14 of the Revised Code and rules adopted under it;

(3) Ethanol or other biofuel facilities, including any equipment used at the ethanol or other biofuel facility for the production of ethanol or other biofuels;

(4) Any property or portion thereof used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product or solid

waste resulting from any method, process, device, structure, or equipment that removes, reduces, prevents, contains, alters, conveys, stores, disperses, or disposes of air contaminants, or that renders less noxious or reduces the concentration of air contaminants in the ambient air;

(5) Any property, device, or equipment that promotes the reduction of emissions of air contaminants into the ambient air through improvements in the efficiency of energy utilization or energy conservation;

(6) Any coal research and development project conducted under Chapter 1555. of the Revised Code;

(7) As determined by the director of the Ohio coal development office, any property or portion thereof that is used for the collection, storage, treatment, utilization, processing, or final disposal of a by-product resulting from a coal research and development project as defined in section 1555.01 of the Revised Code or from the use of clean coal technology, excluding any property or portion thereof that is used primarily for other subsequent commercial purposes;

(8) Any property or portion thereof that is part of the FutureGen project of the United States department of energy or related to the siting of the FutureGen project.

"Air quality facility" further includes any property or system to be used in whole or in part for any of the purposes in divisions (G)(1) to (8) of this section, whether another purpose is also served, and any property or system incidental to or that has to do with, or the end purpose of which is, any of the foregoing. Air quality facilities that are defined in this division for industry, commerce, distribution, or research, including public utility companies, are hereby determined to be those that qualify as facilities for the control of air pollution and thermal pollution related to air under Section 13 of Article VIII, Ohio Constitution.

(H) "Project" or "air quality project" means any air quality facility, including undivided or other interests therein, acquired or to be acquired or constructed or to be constructed by the Ohio air quality development authority under this chapter, or acquired or to be acquired or constructed or to be constructed by a governmental agency or person with all or a part of the cost thereof being paid from a loan or grant from the authority under this chapter or otherwise paid from the proceeds of air quality revenue bonds, including all buildings and facilities that the authority determines necessary for the operation of the project, together with all property, rights, easements, and interests that may be required for the operation of the project.

(I) "Cost" as applied to an air quality project means the cost of acquisition and construction, the cost of acquisition of all land,

rights-of-way, property rights, easements, franchise rights, and interests required for such acquisition and construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of acquiring or constructing and equipping a principal office and sub-offices of the authority, the cost of diverting highways, interchange of highways, and access roads to private property, including the cost of land or easements for such access roads, the cost of public utility and common carrier relocation or duplication, the cost of all machinery, furnishings, and equipment, financing charges, interest prior to and during construction and for no more than eighteen months after completion of construction, engineering, expenses of research and development with respect to air quality facilities, the cost of any commodity contract, including fees and expenses related thereto, legal expenses, plans, specifications, surveys, studies, estimates of cost and revenues, working capital, other expenses necessary or incident to determining the feasibility or practicability of acquiring or constructing such project, administrative expense, and such other expense as may be necessary or incident to the acquisition or construction of the project, the financing of such acquisition or construction, including the amount authorized in the resolution of the authority providing for the issuance of air quality revenue bonds to be paid into any special funds from the proceeds of such bonds, and the financing of the placing of such project in operation. Any obligation, cost, or expense incurred by any governmental agency or person for surveys, borings, preparation of plans and specifications, and other engineering services, or any other cost described above, in connection with the acquisition or construction of a project may be regarded as a part of the cost of that project and may be reimbursed out of the proceeds of air quality revenue bonds as authorized by this chapter.

(J) "Owner" includes an individual, copartnership, association, or corporation having any title or interest in any property, rights, easements, or interests authorized to be acquired by this chapter.

(K) "Revenues" means all rentals and other charges received by the authority for the use or services of any air quality project, any gift or grant received with respect to any air quality project, any moneys received with respect to the lease, sublease, sale, including installment sale or conditional sale, or other disposition of an air quality project, moneys received in repayment of and for interest on any loans made by the authority to a person or governmental agency, whether from the United States or any department, administration, or agency thereof, or otherwise, proceeds of such bonds to

the extent that use thereof for payment of principal of, premium, if any, or interest on the bonds is authorized by the authority, amounts received or otherwise derived from a commodity contract or from the sale of the related commodity under such a contract, proceeds from any insurance, condemnation, or guaranty pertaining to a project or property mortgaged to secure bonds or pertaining to the financing of the project, and income and profit from the investment of the proceeds of air quality revenue bonds or of any revenues.

(L) "Public roads" includes all public highways, roads, and streets in the state, whether maintained by the state, county, city, township, or other political subdivision.

(M) "Public utility facilities" includes tracks, pipes, mains, conduits, cables, wires, towers, poles, and other equipment and appliances of any public utility.

(N) "Construction," unless the context indicates a different meaning or intent, includes reconstruction, enlargement, improvement, or providing furnishings or equipment.

(O) "Air quality revenue bonds," unless the context indicates a different meaning or intent, includes air quality revenue notes, air quality revenue renewal notes, and air quality revenue refunding bonds, except that notes issued in anticipation of the issuance of bonds shall have a maximum maturity of five years as provided in section 3706.05 of the Revised Code and notes or renewal notes issued as the definitive obligation may be issued maturing at such time or times with a maximum maturity of forty years from the date of issuance of the original note.

(P) "Solid waste" means any garbage; refuse; sludge from a waste water treatment plant, water supply treatment plant, or air pollution control facility; and other discarded material, including solid, liquid, semisolid, or contained gaseous material resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but not including solid or dissolved material in domestic sewage, or solid or dissolved material in irrigation return flows or industrial discharges that are point sources subject to permits under section 402 of the "Federal Water Pollution Control Act Amendments of 1972," 86 Stat. 880, 33 U.S.C.A. 1342, as amended, or source, special nuclear, or byproduct material as defined by the "Atomic Energy Act of 1954," 68 Stat. 921, 42 U.S.C.A. 2011, as amended.

(Q) "Sludge" means any solid, semisolid, or liquid waste, other than a recyclable by-product, generated from a municipal, commercial, or industrial waste water treatment plant, water supply plant, or air pollution

control facility or any other such wastes having similar characteristics and effects.

(R) "Ethanol or other biofuel facility" means a plant at which ethanol or other biofuel is produced.

(S) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable or biomass resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable or biomass resources, that meets all of the specifications in the American society for testing and materials (ASTM) specification D 4806-88 and is denatured as specified in Parts 20 and 21 of Title 27 of the Code of Federal Regulations.

(T) "Biofuel" means any fuel that is made from cellulosic biomass resources, including renewable organic matter, crop waste residue, wood, aquatic plants and other crops, animal waste, solid waste, or sludge, and that is used for the production of energy for transportation or other purposes.

(U) "FutureGen project" means the buildings, equipment, and real property and functionally related buildings, equipment, and real property, including related research projects that support the development and operation of the buildings, equipment, and real property, designated by the United States department of energy and the FutureGen industrial alliance, inc., as the coal-fueled, zero-emissions power plant designed to prove the technical and economic feasibility of producing electricity and hydrogen from coal and nearly eliminating carbon dioxide emissions through capture and permanent storage.

(V) "Commodity contract" means a contract or series of contracts entered into in connection with the acquisition or construction of air quality facilities for the purchase or sale of a commodity that is eligible for prepayment with the proceeds of federally tax exempt bonds under sections 103, 141, and 148 of the Internal Revenue Code of 1986, as amended, and regulations adopted under it.

Sec. 3706.03. It is hereby declared to be the public policy of the state through the operations of the Ohio air quality development authority under this chapter to contribute toward one or more of the following: to provide for the conservation of air as a natural resource of the state, and to prevent or abate the pollution thereof, to provide for the comfort, health, safety, and general welfare of all employees, as well as all other inhabitants of the state, to assist in the financing of air quality facilities for industry, commerce, distribution, and research, including public utility companies, to create or

preserve jobs and employment opportunities or improve the economic welfare of the people, or assist and cooperate with governmental agencies in achieving such purposes. In furtherance of such public policy the Ohio air quality development authority may initiate, acquire, construct, maintain, repair, and operate air quality projects or cause the same to be operated pursuant to a lease, sublease, or agreement with any person or governmental agency; may make loans and grants to governmental agencies for the acquisition or construction of air quality facilities by such governmental agencies; may make loans to persons for the acquisition or construction of air quality facilities by such persons; may enter into commodity contracts with, or make loans for the purpose of entering into commodity contracts to, any person, governmental agency, or entity located within or without the state in connection with the acquisition or construction of air quality facilities; and may issue air quality revenue bonds of this state payable solely from revenues, to pay the cost of such projects, including any related commodity contracts. Any air quality project shall be determined by the authority to be not inconsistent with any applicable air quality standards duly established and then required to be met pursuant to the "Clean Air Act," 84 Stat. 1679 (1970), 42 U.S.C.A. 1857, as amended. Any resolution of the authority providing for acquiring or constructing such projects or for making a loan or grant for such projects shall include a finding by the authority that such determination has been made. Determinations by resolution of the authority that a project is an air quality facility under this chapter and is consistent with the purposes of section 13 of Article VIII, Ohio Constitution, and this chapter, shall be conclusive as to the validity and enforceability of the air quality revenue bonds issued to finance such project and of the resolutions, trust agreements or indentures, leases, subleases, sale agreements, loan agreements, and other agreements made in connection therewith, all in accordance with their terms.

Sec. 3706.041. (A) With respect to projects, and the financing thereof, for industry, commerce, distribution, or research, including public utility companies, under agreements whereby the person to whom the project is to be leased, subleased, or sold, or to whom a loan is to be made for the project, is to make payments sufficient to pay all of the principal of, premium, if any, and interest on the air quality revenue bonds issued for the project, or the counterparty under any related commodity contract agrees to make payments sufficient in amount to pay all of the principal of, premium, if any, and interest on the related air quality revenue bonds, the Ohio air quality development authority may, in addition to other powers under this chapter:

(1) Make loans for the acquisition or construction of the project to such person upon such terms as the authority may determine or authorize, including secured or unsecured loans, and, in connection therewith, enter into loan agreements and other agreements, including commodity contracts, accept notes and other forms of obligation to evidence such indebtedness and mortgages, liens, pledges, assignments, or other security interests to secure such indebtedness, which may be prior or ~~subordinate~~ subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests, or liens or encumbrances, and take such actions as may be considered by it appropriate to protect such security and safeguard against losses, including, without limitation thereto, foreclosure and the bidding upon and purchase of property upon foreclosure or other sale.

(2) Sell such project under such terms as it may determine, including, without limitation thereto, sale by conditional sale or installment sale, under which title may pass prior to or after completion of the project or payment or provisions for payment of all principal of, premium, if any, and interest on such bonds, or at any other time provided in such agreement pertaining to such sale, and including sale under an option to purchase at a price which may be a nominal amount or less than true value at the time of purchase.

(3) Grant a mortgage, lien, or other encumbrance on, or pledge or assignment of, or other security interest with respect to, all or any part of the project, revenues, reserve funds, or other funds established in connection with such bonds, or on, of, or with respect to any lease, sublease, sale, conditional sale or installment sale agreement, loan agreement, or other agreement pertaining to the lease, sublease, sale, or other disposition of a project or pertaining to a loan made for a project, or any guaranty or insurance agreement made with respect thereto, or any interest of the authority therein, or any other interest granted, assigned, or released to secure payments of the principal of, premium, if any, or interest on the bonds or to secure any other payments to be made by the authority, which mortgage, lien, encumbrance, pledge, assignment, or other security interest may be prior or subordinate to or on a parity with any other mortgage, assignment, other security interest, or lien or encumbrance.

(4) Provide that the interest on such bonds may be at a variable rate or rates changing from time to time in accordance with a base or formula as authorized by the authority.

(5) Contract for the acquisition or construction of such project or any part thereof, including any related commodity contracts, and for the leasing, subleasing, sale or other disposition of such project in a manner determined

by the authority in its sole discretion, without necessity for competitive bidding or performance bonds.

(B) Property comprising a project shall not be subject to taxes or assessments and so long as the bonds or notes issued to finance the costs of such project are outstanding, and the transfer of title to or possession of such property to the person to whom a loan or installment sale or conditional sale with respect to such project is made shall not be subject to the taxes levied pursuant to Chapters 5739. and 5741. of the Revised Code.

The authority shall certify the property comprising a project which is exempt from taxes and assessments pursuant to this section, and shall send, by certified mail, copies of such certification to the owner of such exempt property, to the tax commissioner, and to the county auditor of the county or counties in which any such exempt property is located.

Each county auditor shall maintain a separate list of all property exempt pursuant to this section and sections 6121.044 and 6123.041 of the Revised Code, in addition to the list of exempt property required to be maintained pursuant to section 5713.07 of the Revised Code.

(C) The authority, in the lease, sale or loan agreement with respect to a project referred to in division (A) of this section, shall make appropriate provision for adequate maintenance of the project.

(D) With respect to the projects referred to in this section, the authority granted by this section is cumulative and supplementary to all other authority granted in this chapter. The authority granted by this section does not alter or impair any similar authority granted elsewhere in this chapter for or with respect to other projects.

Sec. 3706.05. The Ohio air quality development authority may at any time issue revenue bonds and notes of the state in such principal amount as, in the opinion of the authority, are necessary for the purpose of paying any part of the cost of one or more air quality projects or parts thereof, including one or more payments pursuant to a commodity contract entered into in connection with the acquisition or construction of air quality facilities. The authority may at any time issue renewal notes, issue bonds to pay such notes and whenever it deems refunding expedient, refund any bonds by the issuance of air quality revenue refunding bonds of the state, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds then outstanding, and partly for any other authorized purpose. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded. Except as may otherwise be expressly provided by the authority, every issue of its bonds or notes shall be general obligations of the authority payable out of the

revenues of the authority that are pledged for such payment, without preference or priority of the first bonds issued, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues. Such pledge shall be valid and binding from the time the pledge is made and the revenues so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority.

Whether or not the bonds or notes are of such form and character as to be negotiable instruments, the bonds or notes shall have all the qualities and incidents of negotiable instruments, subject only to the provisions of the bonds or notes for registration.

The bonds and notes shall be authorized by resolution of the authority, shall bear such date or dates, and shall mature at such time or times, in the case of any such note or any renewals thereof not exceeding five years from the date of issue of such original note and in the case of any such bond not exceeding forty years from the date of issue, as such resolution or resolutions may provide. The bonds and notes shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as the authority may authorize. The bonds and notes of the authority may be sold by the authority, at public or private sale, at or at not less than such price or prices as the authority determines. The bonds and notes shall be executed by the ~~chairman~~ chairperson and ~~vice-chairman~~ vice-chairperson of the authority, either or both of whom may use a facsimile signature, the official seal of the authority or a facsimile thereof shall be affixed thereto or printed thereon and attested, manually or by facsimile signature, by the secretary-treasurer of the authority, and any coupons attached thereto shall bear the signature or facsimile signature of the ~~chairman~~ chairperson of the authority. In case any officer whose signature, or a facsimile of whose signature, appears on any bonds, notes or coupons ceases to be such officer before delivery of bonds or notes, such signature or facsimile shall nevertheless be sufficient for all purposes the same as if ~~he~~ the officer had remained in office until such delivery, and in case the seal of the authority has been changed after a facsimile has been imprinted on such bonds or

notes, such facsimile seal will continue to be sufficient for all purposes.

Any resolution or resolutions authorizing any bonds or notes or any issue thereof may contain provisions, subject to such agreements with bondholders or noteholders as may then exist, which provisions shall be a part of the contract with the holders thereof, as to: the pledging of all or any part of the revenues of the authority to secure the payment of the bonds or notes or of any issue thereof; the use and disposition of revenues of the authority; a covenant to fix, alter, and collect rentals and other charges so that pledged revenues will be sufficient to pay costs of operation, maintenance, and repairs, pay principal of and interest on bonds or notes secured by the pledge of such revenues, and provide such reserves as may be required by the applicable resolution or trust agreement; the setting aside of reserve funds, sinking funds, or replacement and improvement funds and the regulation and disposition thereof; the crediting of the proceeds of the sale of bonds or notes to and among the funds referred to or provided for in the resolution authorizing the issuance of the bonds or notes; the use, lease, sale, or other disposition of any air quality project or any other assets of the authority; limitations on the purpose to which the proceeds of sale of bonds or notes may be applied and the pledging of such proceeds to secure the payment of the bonds or notes or of any issue thereof; as to notes issued in anticipation of the issuance of bonds, the agreement of the authority to do all things necessary for the authorization, issuance, and sale of such bonds in such amounts as may be necessary for the timely retirement of such notes; limitations on the issuance of additional bonds or notes; the terms upon which additional bonds or notes may be issued and secured; the refunding of outstanding bonds or notes; the procedure, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given; limitations on the amount of moneys to be expended by the authority for operating, administrative, or other expenses of the authority; securing any bonds or notes by a trust agreement in accordance with section 3706.07 of the Revised Code; any other matters, of like or different character, that in any way affect the security or protection of the bonds or notes.

Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

Sec. 3706.07. In the discretion of the Ohio air quality development authority, any air quality revenue bonds or notes or air quality revenue refunding bonds issued under Chapter 3706. of the Revised Code, may be

secured by a trust agreement between the authority and a corporate trustee, which trustee may be any trust company or bank having the powers of a trust company within or without the state.

Any such trust agreement may pledge or assign revenues of the authority to be received, but shall not convey or mortgage any air quality project or any part thereof. Any such trust agreement or any resolution providing for the issuance of such bonds or notes may contain such provisions for protecting and enforcing the rights and remedies of the bondholders or noteholders as are reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the acquisition of property, the construction, improvement, maintenance, repair, operation, and insurance of the air quality project or projects in connection with which such bonds or notes are authorized, the rentals or other charges to be imposed for the use or services of any air quality project, the application of revenues received or otherwise derived from a commodity contract or from the sale of the related commodity under such contract, the custody, safeguarding, and application of all moneys, and provisions for the employment of consulting engineers in connection with the construction or operation of such air quality project or projects. Any bank or trust company incorporated under the laws of this state that may act as depository of the proceeds of bonds or notes or of revenues may furnish such indemnifying bonds or may pledge such securities as are required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and noteholders and of the trustee, and may restrict the individual right of action by bondholders and noteholders as is customary in trust agreements or trust indentures securing similar bonds. Such trust agreement may contain such other provisions as the authority determines reasonable and proper for the security of the bondholders or noteholders. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as a part of the cost of the operation of the air quality project or projects. Any such trust agreement or resolution authorizing the issuance of air quality revenue bonds may provide the method whereby the general administrative overhead expenses of the authority shall be allocated among the several projects acquired or constructed by it as a factor of the operation expense of each such project.

Sec. 3718.03. (A) There is hereby created the sewage treatment system technical advisory committee consisting of the director of health or the director's designee and ten members who are knowledgeable about sewage treatment systems and technologies ~~to be appointed by the director~~. Of the ten members, four shall be appointed by the director, ~~one shall represent~~

~~academia, two shall represent the interests of manufacturers of household sewage treatment systems, one shall represent installers and service providers, two shall be health commissioners who are members of and recommended by the association of Ohio health commissioners, one shall be a sanitarian who is registered under Chapter 4736. of the Revised Code and who is a member of the Ohio environmental health association, one shall be an engineer from the environmental protection agency, one shall be selected from among soil scientists from the division of soil and water conservation in the department of natural resources, and one shall be a representative of the public who is not employed by the state or any of its political subdivisions and who does not have a pecuniary interest in sewage treatment systems. All appointments to the committee shall be made not later than sixty days after the effective date of this section~~ governor, three shall be appointed by the president of the senate, and three shall be appointed by the speaker of the house of representatives.

(1) Of the members appointed by the governor, one shall represent academia, one shall be a representative of the public who is not employed by the state or any of its political subdivisions and who does not have a pecuniary interest in household sewage treatment systems, one shall be an engineer from the environmental protection agency, and one shall be selected from among soil scientists in the division of soil and water conservation in the department of natural resources.

(2) Of the members appointed by the president of the senate, one shall be a health commissioner who is a member of and recommended by the association of Ohio health commissioners, one shall represent the interests of manufacturers of household sewage treatment systems, and one shall represent installers and service providers.

(3) Of the members appointed by the speaker of the house of representatives, one shall be a health commissioner who is a member of and recommended by the association of Ohio health commissioners, one shall represent the interests of manufacturers of household sewage treatment systems, and one shall be a sanitarian who is registered under Chapter 4736. of the Revised Code and who is a member of the Ohio environmental health association.

~~(B) Of the initial members appointed by the director to the technical advisory committee, three shall be appointed for one year, three shall be appointed for two years, and four shall be appointed for three years. Thereafter, terms~~ Terms of members appointed to the committee 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 serve 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 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 hold office for the remainder of that term. A member shall continue to serve after the expiration date of the member's term until the member's successor is appointed or until a period of sixty days has elapsed, whichever occurs first. ~~The director~~ applicable appointing authority may remove a member from the committee for failure to attend two consecutive meetings without showing good cause for the absences.

(C) ~~The director or the director's designee shall serve as the chairperson of the technical advisory committee.~~ The technical advisory committee annually shall select from among its members a chairperson and a vice-chairperson and a secretary to keep a record of its proceedings. A majority vote of the members of the full committee is necessary to take action on any matter. The committee may adopt bylaws governing its operation, including bylaws that establish the frequency of meetings.

(D) Serving as a member of the sewage treatment system technical advisory committee 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. Members of the committee shall serve without compensation for attending committee meetings.

(E) A member of the committee shall not have a conflict of interest with the position. For the purposes of this division, "conflict of interest" means the taking of any action that violates any provision of Chapter 102. or 2921. of the Revised Code.

(F) The sewage treatment system technical advisory committee shall do all of the following:

(1) Develop with the department of health standards and guidelines for ~~use by the director in~~ approving or disapproving a sewage treatment system or components of a system under section 3718.04 of the Revised Code;

(2) Develop with the department an application form to be submitted to the director by an applicant for approval or disapproval of a sewage treatment system or components of a system and specify the information that must be included with an application form;

(3) Advise the director on the approval or disapproval of an application sent to the director under section 3718.04 of the Revised Code requesting approval of a sewage treatment system or components of a system;

(4) Pursue and recruit in an active manner the research, development,

introduction, and timely approval of innovative and cost-effective household sewage treatment systems and components of a system for use in this state, which shall include conducting pilot projects to assess the effectiveness of a system or components of a system;

(5) By January 1, 2008, provide the household sewage and small flow on-site sewage treatment system study commission created by Am. Sub. H.B. 119 of the 127th general assembly with a list of available alternative systems and the estimated cost of each system.

~~(G) If the committee meets in a calendar year, the director of health~~ The chairperson of the committee shall prepare and submit a an annual report concerning the activities of the committee to the general assembly not later than ninety days after the end of the calendar year. The report shall discuss the number of applications submitted under section 3718.04 of the Revised Code for the approval of a new sewage treatment system or a component of a system, the number of such systems and components that were approved, any information that the committee considers beneficial to the general assembly, and any other information that the ~~director~~ chairperson determines is beneficial to the general assembly. If other members of the committee ~~determines~~ determine that certain information should be included in the report, ~~the committee~~ they shall submit the information to the ~~director~~ chairperson not later than thirty days after the end of the calendar year.

(H) The department shall provide meeting space for the committee. The committee shall be assisted in its duties by the staff of the department.

(I) Sections 101.82 to 101.87 of the Revised Code do not apply to the sewage treatment system technical advisory committee.

Sec. 3721.51. The department of job and family services shall do all of the following:

(A) Subject to division (C) of this section and for the purposes specified in sections 3721.56 and 3721.561 of the Revised Code, determine an annual franchise permit fee on each nursing home in an amount equal to six dollars and twenty-five cents ~~for fiscal years 2006 and 2007 and one dollar for each fiscal year thereafter~~, multiplied by the product of the following:

(1) The number of beds licensed as nursing home beds, plus any other beds certified as skilled nursing facility beds under Title XVIII or nursing facility beds under Title XIX on the first day of May of the calendar year in which the fee is determined pursuant to division (A) of section 3721.53 of the Revised Code;

(2) The number of days in the fiscal year beginning on the first day of July of the calendar year in which the fee is determined pursuant to division (A) of section 3721.53 of the Revised Code.

(B) Subject to division (C) of this section and for the purposes specified in sections 3721.56 and 3721.561 of the Revised Code, determine an annual franchise permit fee on each hospital in an amount equal to six dollars and twenty-five cents ~~for fiscal years 2006 and 2007 and one dollar for each fiscal year thereafter~~, multiplied by the product of the following:

(1) The number of beds registered pursuant to section 3701.07 of the Revised Code as skilled nursing facility beds or long-term care beds, plus any other beds licensed as nursing home beds under section 3721.02 or 3721.09 of the Revised Code, on the first day of May of the calendar year in which the fee is determined pursuant to division (A) of section 3721.53 of the Revised Code;

(2) The number of days in the fiscal year beginning on the first day of July of the calendar year in which the fee is determined pursuant to division (A) of section 3721.53 of the Revised Code.

(C) If the United States centers for medicare and medicaid services determines that the franchise permit fee established by sections 3721.50 to 3721.58 of the Revised Code is an impermissible health care related tax under section 1903(w) of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 1396b(w), as amended, take all necessary actions to cease implementation of sections 3721.50 to 3721.58 of the Revised Code in accordance with rules adopted under section 3721.58 of the Revised Code.

Sec. 3721.541. (A) In addition to assessing a penalty pursuant to section 3721.54 of the Revised Code, the department of job and family services may do ~~either~~ any of the following if a nursing facility or hospital fails to pay the full amount of a franchise permit fee installment when due:

(1) Withhold an amount less than or equal to the installment and penalty assessed under section 3721.54 of the Revised Code from a medicaid payment due the nursing facility or hospital until the nursing facility or hospital pays the installment and penalty;

(2) Offset an amount less than or equal to the installment and penalty assessed under section 3721.54 of the Revised Code from a Medicaid payment due the nursing facility or hospital;

(3) Terminate the nursing facility or hospital's medicaid provider agreement.

(B) The department may ~~withhold~~ offset a medicaid payment under division (A)~~(1)~~ of this section without providing notice to the nursing facility or hospital and without conducting an adjudication under Chapter 119. of the Revised Code.

Sec. 3721.56. There is hereby created in the state treasury the home- and community-based services for the aged fund. Sixteen per cent of all

payments and penalties paid by nursing homes and hospitals under sections 3721.53 and 3721.54 of the Revised Code ~~for fiscal years 2006 and 2007, and all such payments and penalties paid for subsequent fiscal years,~~ shall be deposited into the fund. The departments of job and family services and aging shall use the moneys in the fund to fund the following in accordance with rules adopted under section 3721.58 of the Revised Code:

(A) The medicaid program established under Chapter 5111. of the Revised Code, including the PASSPORT program established under section 173.40 of the Revised Code;

(B) The residential state supplement program established under section 173.35 of the Revised Code.

~~Sec. 3727.391. (A) The duties of the director of health under section 3727.39 of the Revised Code apply only to the extent that appropriations are made by the general assembly to make performance of the duties possible.~~

~~(B) Subject to division (A) of this section, the The director of health shall enter into a contract with a person under which the director's duties under section 3727.39 of the Revised Code are performed by the person pursuant to the contract. The contract may be entered into with any person selected by the director. For purposes of section 3727.39 of the Revised Code, all references to the director are references to the person who is under contract with the director pursuant to this division.~~

The department of health may accept gifts, grants, donations, and awards for purposes of paying the fees or other costs incurred when a contract is entered into under this division.

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~~ 2010, 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~~ 2010, 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~~ 2010, 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 for disposal at a solid waste disposal facility 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. 3735.672. (A) On or before the thirty-first day of March each year, a legislative authority that has entered into an agreement with a party under section 3735.671 of the Revised Code shall submit to the director of development and the board of education of each school district of which a municipal corporation or township to which such an agreement applies is a part a report on all such agreements in effect during the preceding calendar year. The report shall include the following information:

(1) The designation, assigned by the director of development, of each community reinvestment area within the municipal corporation or county,

and the total population of each area according to the most recent data available;

(2) The number of agreements and the number of full-time employees subject to those agreements within each area, each according to the most recent data available and identified and categorized by the appropriate standard industrial code, and the rate of unemployment in the municipal corporation or county in which the area is located for each year since the area was certified;

(3) The number of agreements approved and executed during the calendar year for which the report is submitted, the total number of agreements in effect on the thirty-first day of December of the preceding calendar year, the number of agreements that expired during the calendar year for which the report is submitted, and the number of agreements scheduled to expire during the calendar year in which the report is submitted. For each agreement that expired during the calendar year for which the report is submitted, the legislative authority shall include the amount of taxes exempted under the agreement.

(4) The number of agreements receiving compliance reviews by the tax incentive review council in the municipal corporation or county during the calendar year for which the report is submitted, including all of the following information:

(a) The number of agreements the terms of which the party has complied with, indicating separately for each such agreement the value of the real property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, and for the amount of payroll of the party attributable to these employees;

(b) The number of agreements the terms of which a party has failed to comply with, indicating separately for each such agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, and for the amount of payroll of the enterprise attributable to these employees;

(c) The number of agreements about which the tax incentive review council made recommendations to the legislative authority, and the number of such recommendations that have not been followed;

(d) The number of agreements rescinded during the calendar year for which the report is submitted.

(5) The number of parties subject to agreements that expanded within each area, including the number of new employees hired and existing

employees retained by that party, and the number of new parties subject to agreements that established within each area, including the number of new employees hired by each party;

(6) For each agreement in effect during any part of the preceding year, the number of employees employed by the party at the property that is the subject of the agreement immediately prior to formal approval of the agreement, the number of employees employed by the party at that property on the thirty-first day of December of the preceding year, the payroll of the party for the preceding year, the amount of taxes paid on real property that was exempted under the agreement, and the amount of such taxes that were not paid because of the exemption.

(B) Upon the failure of a municipal corporation or county to comply with division (A) of this section:

(1) Beginning on the first day of April of the calendar year in which the municipal corporation or county fails to comply with that division, the municipal corporation or county shall not enter into any agreements under section 3735.671 of the Revised Code until the municipal corporation or county has complied with division (A) of this section.

(2) On the first day of each ensuing calendar month until the municipal corporation or county complies with that division, the director of development shall either order the proper county auditor to deduct from the next succeeding payment of taxes to the municipal corporation or county under section 321.31, 321.32, 321.33, or 321.34 of the Revised Code an amount equal to five hundred dollars for each calendar month the municipal corporation or county fails to comply with that division, or order the county auditor to deduct such an amount from the next succeeding payment to the municipal corporation or county from the undivided local government fund under section 5747.51 of the Revised Code. At the time such a payment is made, the county auditor shall comply with the director's order by issuing a warrant, drawn on the fund from which such money would have been paid, to the director of development, who shall deposit the warrant into the state community reinvestment area program administration fund created in division (C) of this section.

(C) The director, by rule, shall establish the state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section 3735.671 of the Revised Code. In establishing the amount of the fee, the director shall consider the state's cost of administering the community reinvestment area program, including the cost of reviewing the reports required under division (A) of this section. The director may change the amount of the fee at such times and in such increments as ~~he~~ the

director considers necessary. Any municipal corporation or county that receives an application shall collect the application fee and remit the fee for deposit in the state treasury to the credit of the ~~state community reinvestment area program administration fund, which is hereby created. Money credited to the fund shall be used by the department of development to pay the costs of administering the community reinvestment area program, including the cost of reviewing the reports required under division (A) of this section~~ tax incentive programs operating fund created in section 122.174 of the Revised Code.

Sec. 3743.17. (A) The license of a wholesaler of fireworks is effective for one year beginning on the first day of December. The fire marshal shall issue or renew a license only on that date and at no other time. If a wholesaler of fireworks wishes to continue engaging in the wholesale sale of fireworks at the particular location after its then effective license expires, it shall apply not later than the first day of October for a new license pursuant to section 3743.15 of the Revised Code. The fire marshal shall send a written notice of the expiration of its license to a licensed wholesaler at least three months before the expiration date.

(B) If, during the effective period of its licensure, a licensed wholesaler of fireworks wishes to perform any construction, or make any structural change or renovation, on the premises on which the fireworks are sold, the wholesaler shall notify the fire marshal in writing. The fire marshal may require a licensed wholesaler also to submit documentation, including, but not limited to, plans covering the proposed construction or structural change or renovation, if the fire marshal determines the documentation is necessary for evaluation purposes in light of the proposed construction or structural change or renovation.

Upon receipt of the notification and additional documentation required by the fire marshal, the fire marshal shall inspect the premises on which the fireworks are sold to determine if the proposed construction or structural change or renovation conforms to sections 3743.15 to 3743.21 of the Revised Code and the rules adopted by the fire marshal pursuant to section 3743.18 of the Revised Code. The fire marshal shall issue a written authorization to the wholesaler for the construction or structural change or renovation if the fire marshal determines, upon the inspection and a review of submitted documentation, that the construction or structural change or renovation conforms to those sections and rules.

(C) The license of a wholesaler of fireworks authorizes the wholesaler to engage only in the following activities:

- (1) Possess for sale at wholesale and sell at wholesale fireworks to

persons who are licensed wholesalers of fireworks, to out-of-state residents in accordance with section 3743.44 of the Revised Code, to residents of this state in accordance with section 3743.45 of the Revised Code, or to persons located in another state provided the fireworks are shipped directly out of this state to them by the wholesaler. The possession for sale shall be at the location described in the application for licensure or in the notification submitted under division (B) of this section, and the sale shall be from the inside of a licensed building and from no structure or device outside a licensed building. At no time shall a licensed wholesaler sell any class of fireworks outside a licensed building.

(2) Possess for sale at retail and sell at retail fireworks, other than 1.4G fireworks as designated by the fire marshal in rules adopted pursuant to division (A) of section 3743.05 of the Revised Code, to licensed exhibitors in accordance with sections 3743.50 to 3743.55 of the Revised Code, and possess for sale at retail and sell at retail fireworks, including 1.4G fireworks, to out-of-state residents in accordance with section 3743.44 of the Revised Code, to residents of this state in accordance with section 3743.45 of the Revised Code, or to persons located in another state provided the fireworks are shipped directly out of this state to them by the wholesaler. The possession for sale shall be at the location described in the application for licensure or in the notification submitted under division (B) of this section, and the sale shall be from the inside of the licensed building and from no other structure or device outside this licensed building. At no time shall a licensed wholesaler sell any class of fireworks outside a licensed building.

A licensed wholesaler of fireworks shall sell under division (C) of this section only fireworks that meet the standards set by the consumer product safety commission or by the American fireworks standard laboratories or that have received an EX number from the United States department of transportation.

(D) The license of a wholesaler of fireworks shall be protected under glass and posted in a conspicuous place at the location described in the application for licensure or in the notification submitted under division (B) of this section. Except as otherwise provided in this section, the license is not transferable or assignable. A license may be transferred to another person for the same location for which the license was issued if the assets of the wholesaler are transferred to that person by inheritance or by a sale approved by the fire marshal. The license is subject to revocation in accordance with section 3743.21 of the Revised Code.

(E) The fire marshal shall adopt rules for the expansion or contraction of

a licensed premises and for the approval of an expansion or contraction. The boundaries of a licensed premises, including any geographic expansion or contraction of those boundaries, shall be approved by the fire marshal in accordance with rules the fire marshal adopts. If the licensed premises of a licensed wholesaler from which the wholesaler operates consists of more than one parcel of real estate, those parcels must be contiguous, unless an exception is allowed pursuant to division (G) of this section.

(F)(1) Upon application by a licensed wholesaler of fireworks, a wholesaler license may be transferred from one geographic location to another within the same municipal corporation or within the unincorporated area of the same township, but only if all of the following apply:

(a) The identity of the holder of the license remains the same in the new location.

(b) The former location is closed prior to the opening of the new location and no fireworks business of any kind is conducted at the former location after the transfer of the license.

(c) The new location has received a local certificate of zoning compliance and a local certificate of occupancy, and otherwise is in compliance with all local building regulations.

~~(d) The transfer of the license is requested by the licensee because the existing facility poses an immediate hazard to the public.~~

~~(e)~~ Every building or structure at the new location is separated from occupied residential and nonresidential buildings or structures, railroads, highways, or any other buildings or structures located on the licensed premises in accordance with the distances specified in the rules adopted by the fire marshal pursuant to section 3743.18 of the Revised Code. If the licensee fails to comply with the requirements of division (F)(1)(e) of this section by the licensee's own act, the license at the new location is forfeited.

~~(f)~~~~(e)~~ Neither the licensee nor any person holding, owning, or controlling a five per cent or greater beneficial or equity interest in the licensee has been convicted of or has pleaded guilty to a felony under the laws of this state, any other state, or the United States after June 30, 1997.

~~(g)~~~~(f)~~ The fire marshal approves the request for the transfer.

(2) The new location shall comply with the requirements specified in divisions (A)(1) and (2) of section 3743.25 of the Revised Code whether or not the fireworks showroom at the new location is constructed, expanded, or first begins operating on and after June 30, 1997.

(G)(1) A licensed wholesaler may expand its licensed premises within this state to include not more than two storage locations that are located upon one or more real estate parcels that are noncontiguous to the licensed

premises as that licensed premises exists on the date a licensee submits an application as described below, if all of the following apply:

(a) The licensee submits an application to the fire marshal requesting the expansion and an application fee of one hundred dollars per storage location for which the licensee is requesting approval.

(b) The identity of the holder of the license remains the same at the storage location.

(c) The storage location has received a valid certificate of zoning compliance, as applicable, and a valid certificate of occupancy for each building or structure at the storage location issued by the authority having jurisdiction to issue the certificate for the storage location, and those certificates permit the distribution and storage of fireworks regulated under this chapter at the storage location and in the buildings or structures. The storage location shall be in compliance with all other applicable federal, state, and local laws and regulations.

(d) Every building or structure located upon the storage location is separated from occupied residential and nonresidential buildings or structures, railroads, highways, and any other buildings or structures on the licensed premises in accordance with the distances specified in the rules adopted by the fire marshal pursuant to section 3743.18 of the Revised Code.

(e) Neither the licensee nor any person holding, owning, or controlling a five per cent or greater beneficial or equity interest in the licensee has been convicted of or pleaded guilty to a felony under the laws of this state, any other state, or the United States, after ~~the effective date of this amendment~~ September 29, 2005.

(f) The fire marshal approves the application for expansion.

(2) The fire marshal shall approve an application for expansion requested under division (G)(1) of this section if the fire marshal receives the application fee and proof that the requirements of divisions (G)(1)(b) to (e) of this section are satisfied. The storage location shall be considered part of the original licensed premises and shall use the same distinct number assigned to the original licensed premises with any additional designations as the fire marshal deems necessary in accordance with section 3743.16 of the Revised Code.

(H)(1) A licensee who obtains approval for use of a storage location in accordance with division (G) of this section shall use the site exclusively for the following activities, in accordance with division (C)(1) of this section:

(a) Packaging, assembling, or storing fireworks, which shall occur only in buildings approved for such hazardous uses by the building code official

having jurisdiction for the storage location and shall be in accordance with the rules adopted by the fire marshal under division (B)(4) of section 3743.18 of the Revised Code for the packaging, assembling, and storage of fireworks.

(b) Distributing fireworks to other parcels of real estate located on the wholesaler's licensed premises, to licensed manufacturers or other licensed wholesalers in this state or to similarly licensed persons located in another state or country;

(c) Distributing fireworks to a licensed exhibitor of fireworks pursuant to a properly issued permit in accordance with section 3743.54 of the Revised Code.

(2) A licensed wholesaler shall not engage in any sales activity, including the retail sale of fireworks otherwise permitted under division (C)(2) of this section or pursuant to section 3743.44 or 3743.45 of the Revised Code, at a storage location approved under this section.

(I) A licensee shall prohibit public access to all storage locations it uses. The fire marshal shall adopt rules establishing acceptable measures a wholesaler shall use to prohibit access to storage sites.

(J) The fire marshal shall not place the license of a wholesaler of fireworks in temporarily inactive status while the holder of the license is attempting to qualify to retain the license.

(K) Each licensed wholesaler of fireworks or a designee of the wholesaler, whose identity is provided to the fire marshal by the wholesaler, annually shall attend a continuing education program consisting of not less than eight hours of instruction. The fire marshal shall develop the program and the fire marshal or a person or public agency approved by the fire marshal shall conduct it. A licensed wholesaler or the wholesaler's designee who attends a program as required under this division, within one year after attending the program, shall conduct in-service training for other employees of the licensed wholesaler regarding the information obtained in the program. A licensed wholesaler shall provide the fire marshal with notice of the date, time, and place of all in-service training not less than thirty days prior to an in-service training event.

(L) A licensed wholesaler shall maintain comprehensive general liability insurance coverage in the amount and type specified under division (B)(2) of section 3743.15 of the Revised Code at all times. Each policy of insurance required under this division shall contain a provision requiring the insurer to give not less than fifteen days' prior written notice to the fire marshal before termination, lapse, or cancellation of the policy, or any change in the policy that reduces the coverage below the minimum required

under this division. Prior to canceling or reducing the amount of coverage of any comprehensive general liability insurance coverage required under this division, a licensed wholesaler shall secure supplemental insurance in an amount and type that satisfies the requirements of this division so that no lapse in coverage occurs at any time. A licensed wholesaler who secures supplemental insurance shall file evidence of the supplemental insurance with the fire marshal prior to canceling or reducing the amount of coverage of any comprehensive general liability insurance coverage required under this division.

Sec. 3743.19. In addition to conforming to the rules of the fire marshal adopted pursuant to section 3743.18 of the Revised Code, licensed wholesalers of fireworks shall conduct their business operations in accordance with the following:

(A) A wholesaler shall conduct its business operations from the location described in its application for licensure or in a notification submitted under division (B) of section 3743.17 of the Revised Code.

(B) Signs indicating that smoking is generally forbidden and trespassing is prohibited on the premises of a wholesaler shall be posted on the premises as determined by the fire marshal.

(C) Reasonable precautions shall be taken to protect the premises of a wholesaler from trespass, loss, theft, or destruction.

(D) Smoking or the carrying of pipes, cigarettes, or cigars, matches, lighters, other flame-producing items, or open flame on, or the carrying of a concealed source of ignition into, the premises of a wholesaler is prohibited, except that a wholesaler may permit smoking in specified lunchrooms or restrooms in buildings or other structures in which no sales, handling, or storage of fireworks takes place. "NO SMOKING" signs shall be posted on the premises as required by the fire marshal.

(E) Fire and explosion prevention and other reasonable safety measures and precautions shall be implemented by a wholesaler.

(F) Persons shall not be permitted to have in their possession or under their control, while they are on the premises of a wholesaler, any intoxicating liquor, beer, or controlled substance, and they shall not be permitted to enter or remain on the premises if they are found to be under the influence of any intoxicating liquor, beer, or controlled substance.

(G) A wholesaler shall conform to all building, safety, and zoning statutes, ordinances, rules, or other enactments that apply to its premises.

(H) Each building used in the sale of fireworks shall be kept open to the public for at least four hours each day between the hours of eight a.m. and five p.m., five days of each week, every week of the year. Upon application

from a licensed wholesaler, the fire marshal may waive any of the requirements of this division.

(I) Awnings, tents, or canopies shall not be used as facilities for the storage or sale of fireworks. This division does not prohibit the use of an awning or canopy attached to a public access showroom for storing nonflammable shopping convenience items such as shopping carts or baskets or providing a shaded area for patrons waiting to enter the public sales area.

(J) Fireworks may be stored in trailers if the trailers are properly enclosed, secured, and grounded and are separated from any structure to which the public is admitted by a distance that will, in the fire marshal's judgment, allow fire-fighting equipment to have full access to the structures on the licensed premises. Such trailers may be moved into closer proximity to any structure only to accept or discharge cargo for a period not to exceed forty-eight hours. Only two such trailers may be placed in such closer proximity at any one time. At no time may trailers be used for conducting sales of any class of fireworks nor may members of the public have access to the trailers.

Storage areas for fireworks that are in the same building where fireworks are displayed and sold to the public shall be separated from the areas to which the public has access by an appropriately rated fire barrier wall.

(K) A fire suppression system as defined in section 3781.108 of the Revised Code may be turned off only for repair, drainage of the system to prevent damage by freezing during the period of time, approved by the fire marshal under division (I) of this section, that the facility is closed to public access during winter months, or maintenance of the system. If any repair or maintenance is necessary during times when the facility is open for public access and business, the licensed wholesaler shall notify in advance the appropriate insurance company and fire chief or fire prevention officer regarding the nature of the maintenance or repair and the time when it will be performed.

(L) If any fireworks item is removed from its original package or is manufactured with any fuse other than a fuse approved by the consumer product safety commission, then the item shall be covered completely by repackaging or bagging or it shall otherwise be covered so as to prevent ignition prior to sale.

(M) A safety officer shall be present during regular business hours at a building open to the public during the period commencing fourteen days before, and ending two days after, each fourth day of July. The officer shall

be highly visible, enforce this chapter and any applicable building codes to the extent the officer is authorized by law, and be one of the following:

- (1) A deputy sheriff;
- (2) A law enforcement officer of a municipal corporation, township, or township or joint township police district;
- (3) A private uniformed security guard registered under section 4749.06 of the Revised Code.

(N) All doors of all buildings on the licensed premises shall swing outward.

(O) All wholesale and commercial sales of fireworks shall be packaged, shipped, placarded, and transported in accordance with United States department of transportation regulations applicable to the transportation, and the offering for transportation, of hazardous materials. For purposes of this division, "wholesale and commercial sales" includes all sales for resale and any nonretail sale made in furtherance of a commercial enterprise. For purposes of enforcement of these regulations under section 4905.83 of the Revised Code, any sales transaction exceeding one thousand pounds shall be rebuttably presumed to be a wholesale or commercial sale.

Sec. 3743.25. (A) A licensed manufacturer, wholesaler, or exhibitor shall bring fireworks showroom structures, to which the public may have any access and in which employees are required to work, on all licensed premises, into compliance with the following safety requirements:

(1) ~~A~~ Except as otherwise provided in division (A)(1) of this section, a fireworks showroom that is constructed or upon which expansion is undertaken on and after the effective date of this section June 30, 1997, shall be equipped with interlinked fire detection, fire suppression, smoke exhaust, and smoke evacuation systems that are approved by the superintendent of the division of industrial compliance in the department of commerce. Division (A)(1) of this section does not apply if a licensee conducts sales only on the basis of defused representative samples in closed and covered displays within a fireworks showroom.

(2) A fireworks showroom that first begins to operate on or after ~~the effective date of this section~~ June 30, 1997, and to which the public has access for retail purposes shall not exceed five thousand square feet in floor area.

(3) A fireworks showroom structure that exists on ~~the effective date of this section~~ June 30, 1997, but that, on or after ~~the effective date of this section~~ June 30, 1997, is altered or added to in a manner requiring the submission of plans, drawings, specifications, or data pursuant to section 3791.04 of the Revised Code, shall comply with a graphic floor plan layout

that is approved by the fire marshal and superintendent of the division of industrial compliance showing width of aisles, parallel arrangement of aisles to exits, number of exits per wall, maximum occupancy load, evacuation plan for occupants, height of storage or display of merchandise, and other information as may be required by the fire marshal and superintendent.

(4)(a) Except as provided in division (A)(4)(b) of this section, a fireworks showroom structure that exists on ~~the effective date of this section~~ June 30, 1997, shall be retrofitted on or before June 1, 1998, with interlinked fire detection, smoke exhaust, and smoke evacuation systems that are approved by the superintendent of the division of industrial compliance.

(b) If meeting the retrofitting requirements set forth in division (A)(4)(a) of this section would constitute an extreme financial hardship that would force a licensee to terminate business operations or if a licensee voluntarily so elects, the licensee shall conduct sales only on the basis of ~~de-fused~~ defused representative samples in closed and covered displays within the fireworks showroom, in which case division (A)(1) of this section does not apply.

(5) A fireworks showroom structure that exists on ~~the effective date of this section~~ June 30, 1997, shall be in compliance on or before June 1, 1998, with floor plans showing occupancy load limits and internal circulation and egress patterns that are approved by the fire marshal and superintendent of industrial compliance, and that are submitted under seal as required by section 3791.04 of the Revised Code.

(B) The safety requirements established in division (A) of this section are not subject to any variance, waiver, or exclusion pursuant to this chapter or any applicable building code.

Sec. 3743.75. (A) During the period beginning on June 29, 2001, and ending on December 15, ~~2008~~ 2011, the state fire marshal shall not do any of the following:

(1) Issue a license as a manufacturer of fireworks under sections 3743.02 and 3743.03 of the Revised Code to a person for a particular fireworks plant unless that person possessed such a license for that fireworks plant immediately prior to June 29, 2001;

(2) Issue a license as a wholesaler of fireworks under sections 3743.15 and 3743.16 of the Revised Code to a person for a particular location unless that person possessed such a license for that location immediately prior to June 29, 2001;

(3) Except as provided in division (B) of this section, approve the geographic transfer of a license as a manufacturer or wholesaler of fireworks issued under this chapter to any location other than a location for which a

license was issued under this chapter immediately prior to June 29, 2001.

(B) Division (A)(3) of this section does not apply to a transfer that the state fire marshal approves under division (F) of section 3743.17 of the Revised Code.

(C) Notwithstanding section 3743.59 of the Revised Code, the prohibited activities established in divisions (A)(1) and (2) of this section, geographic transfers approved pursuant to division (F) of section 3743.17 of the Revised Code, and storage locations allowed pursuant to division (I) of section 3743.04 of the Revised Code or division (G) of section 3743.17 of the Revised Code are not subject to any variance, waiver, or exclusion.

(D) As used in division (A) of this section:

(1) "Person" includes any person or entity, in whatever form or name, that acquires possession of a manufacturer or wholesaler of fireworks license issued pursuant to this chapter by transfer of possession of a license, whether that transfer occurs by purchase, assignment, inheritance, bequest, stock transfer, or any other type of transfer, on the condition that the transfer is in accordance with division (D) of section 3743.04 of the Revised Code or division (D) of section 3743.17 of the Revised Code and is approved by the fire marshal.

(2) "Particular location" includes a licensed premises and, regardless of when approved, any storage location approved in accordance with section 3743.04 or 3743.17 of the Revised Code.

(3) "Such a license" includes a wholesaler of fireworks license that was issued in place of a manufacturer of fireworks license that existed prior to June 29, 2001, and was requested to be canceled by the license holder pursuant to division (D) of section 3743.03 of the Revised Code.

Sec. 3745.04. (A) As used in this section, "any person" means any individual, any partnership, corporation, association, or other legal entity, or any political subdivision, instrumentality, or agency of a state, whether or not the individual or legal entity is an applicant for or holder of a license, permit, or variance from the environmental protection agency, and includes any department, agency, or instrumentality of the federal government that is an applicant for or holder of a license, permit, or variance from the environmental protection agency.

As used in this section, "action" or "act" includes the adoption, modification, or repeal of a rule or standard, the issuance, modification, or revocation of any lawful order other than an emergency order, and the issuance, denial, modification, or revocation of a license, permit, lease, variance, or certificate, or the approval or disapproval of plans and specifications pursuant to law or rules adopted thereunder.

(B) Any person who was a party to a proceeding before the director of environmental protection may participate in an appeal to the environmental review appeals commission for an order vacating or modifying the action of the director or a local board of health, or ordering the director or board of health to perform an act. The environmental review appeals commission has exclusive original jurisdiction over any matter that may, under this section, be brought before it. However, the director has and retains jurisdiction to modify, amend, revise, renew, or revoke any permit, rule, order, or other action that has been appealed to the commission. The modification, amendment, revision, renewal, or revocation is subject to applicable public participation and public notice requirements and is subject to an appeal under this section or section 3745.07 of the Revised Code, as applicable. Not later than thirty days after the issuance of the modification, amendment, revision, renewal, or revocation, the director shall file with the commission and serve on each party to the existing appeal a statement notifying the commission and the party that the appealed action was revoked or describing how the appealed action was modified, amended, revised, or changed as part of a renewal, as applicable. A party to the existing appeal is deemed to have appealed such a modification, amendment, revision, renewal, or revocation upon filing with the commission and serving on all parties an objection to the modification, amendment, revision, renewal, or revocation. The objection shall be filed with the commission not later than thirty days after the director files the statement with the commission regarding the modification, amendment, revision, renewal, or revocation. The objection shall state any new grounds of appeal resulting from the modification, amendment, revision, renewal, or revocation. The commission shall not charge a fee for the filing of such an objection.

The A person so appealing to the commission shall be known as appellant, and the director and any party to a proceeding substantially supporting the finding from which the appeal is taken shall be known as appellee, except that when an appeal involves a license to operate a disposal site or facility, the local board of health or the director of environmental protection, and any party to a proceeding substantially supporting the finding from which the appeal is taken, shall, as appropriate, be known as the appellee. Appellant and appellee shall be deemed to be parties to the appeal.

(C) The director may appeal an action of a local board of health conducted under Chapter 3714. or 3734. of the Revised Code to the environmental review appeals commission for an order vacating or modifying the action of the board or may appeal to the commission for an

order requiring the local board of health to perform an act.

(D) An appeal shall be in writing and shall set forth the action complained of and the grounds upon which the appeal is based.

The appeal shall be filed with the commission within thirty days after notice of the action. Notice of the filing of the appeal shall be filed with the appellee within three days after the appeal is filed with the commission.

The appeal shall be accompanied by a filing fee of seventy dollars, which the commission, in its discretion, may reduce if by affidavit the appellant demonstrates that payment of the full amount of the fee would cause extreme hardship.

Within seven days after receipt of the notice of an appeal filed under division (B) of this section, the director or local board of health, as applicable, shall prepare and certify to the commission a record of the proceedings out of which the appeal arises, including all documents and correspondence, and a transcript of all testimony.

Upon the filing of an appeal, the commission shall fix the time and place at which the hearing on the appeal will be held. The commission shall give the appellant and the appellee at least ten days' written notice thereof by certified mail. The commission shall hold the hearing within thirty days after the notice of appeal is filed. The commission may postpone or continue any hearing upon its own motion or upon application of the appellant or of the appellee.

The filing of an appeal does not automatically suspend or stay execution of the action appealed from. Upon application by the appellant, the commission may suspend or stay the execution pending immediate determination of the appeal without interruption by continuances, other than for unavoidable circumstances.

(E) As used in this section and sections 3745.05 and 3745.06 of the Revised Code, "director of environmental protection" and "director" are deemed to include the director of agriculture and "environmental protection agency" is deemed to include the department of agriculture with respect to actions that are appealable to the commission under Chapter 903. of the Revised Code.

Sec. 3745.11. (A) Applicants for and holders of permits, licenses, variances, plan approvals, and certifications issued by the director of environmental protection pursuant to Chapters 3704., 3734., 6109., and 6111. of the Revised Code shall pay a fee to the environmental protection agency for each such issuance and each application for an issuance as provided by this section. No fee shall be charged for any issuance for which no application has been submitted to the director.

(B) Each person who is issued a permit to install prior to July 1, 2003, pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code shall pay the fees specified in the following schedules:

(1) Fuel-burning equipment (boilers)

Input capacity (maximum) (million British thermal units per hour)	Permit to install
Greater than 0, but less than 10	\$ 200
10 or more, but less than 100	400
100 or more, but less than 300	800
300 or more, but less than 500	1500
500 or more, but less than 1000	2500
1000 or more, but less than 5000	4000
5000 or more	6000

Units burning exclusively natural gas, number two fuel oil, or both shall be assessed a fee that is one-half of the applicable amount established in division (F)(1) of this section.

(2) Incinerators

Input capacity (pounds per hour)	Permit to install
0 to 100	\$ 100
101 to 500	400
501 to 2000	750
2001 to 20,000	1000
more than 20,000	2500

(3)(a) Process

Process weight rate (pounds per hour)	Permit to install
0 to 1000	\$ 200
1001 to 5000	400
5001 to 10,000	600
10,001 to 50,000	800
more than 50,000	1000

In any process where process weight rate cannot be ascertained, the minimum fee shall be assessed.

(b) Notwithstanding division (B)(3)(a) of this section, any person issued a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code shall pay the fees established in division (B)(3)(c) of this section for a process used in any of the following industries, as identified by the applicable four-digit standard industrial classification code according to the Standard Industrial Classification Manual published by the United States office of management and budget in the executive office of the president, 1972, as revised:

1211 Bituminous coal and lignite mining;
 1213 Bituminous coal and lignite mining services;
 1411 Dimension stone;
 1422 Crushed and broken limestone;
 1427 Crushed and broken stone, not elsewhere classified;
 1442 Construction sand and gravel;
 1446 Industrial sand;
 3281 Cut stone and stone products;
 3295 Minerals and earth, ground or otherwise treated.

(c) The fees established in the following schedule apply to the issuance of a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code for a process listed in division (B)(3)(b) of this section:

Process weight rate (pounds per hour)	Permit to install
0 to 1000	\$ 200
10,001 to 50,000	300
50,001 to 100,000	400
100,001 to 200,000	500
200,001 to 400,000	600
400,001 or more	700

(4) Storage tanks

Gallons (maximum useful capacity)	Permit to install
0 to 20,000	\$ 100
20,001 to 40,000	150
40,001 to 100,000	200
100,001 to 250,000	250
250,001 to 500,000	350
500,001 to 1,000,000	500
1,000,001 or greater	750

(5) Gasoline/fuel dispensing facilities

For each gasoline/fuel dispensing facility	Permit to install
	\$ 100

(6) Dry cleaning facilities

For each dry cleaning facility (includes all units at the facility)	Permit to install
	\$ 100

(7) Registration status

For each source covered by registration status	Permit to install
	\$ 75

(C)(1) Except as otherwise provided in division (C)(2) of this section, beginning July 1, 1994, each person who owns or operates an air

contaminant source and who is required to apply for and obtain a Title V permit under section 3704.036 of the Revised Code shall pay the fees set forth in division (C)(1) of this section. For the purposes of that division, total emissions of air contaminants may be calculated using engineering calculations, emissions factors, material balance calculations, or performance testing procedures, as authorized by the director.

The following fees shall be assessed on the total actual emissions from a source in tons per year of the regulated pollutants particulate matter, sulfur dioxide, nitrogen oxides, organic compounds, and lead:

(a) Fifteen dollars per ton on the total actual emissions of each such regulated pollutant during the period July through December 1993, to be collected no sooner than July 1, 1994;

(b) Twenty dollars per ton on the total actual emissions of each such regulated pollutant during calendar year 1994, to be collected no sooner than April 15, 1995;

(c) Twenty-five dollars per ton on the total actual emissions of each such regulated pollutant in calendar year 1995, and each subsequent calendar year, to be collected no sooner than the fifteenth day of April of the year next succeeding the calendar year in which the emissions occurred.

The fees levied under division (C)(1) of this section do not apply to that portion of the emissions of a regulated pollutant at a facility that exceed four thousand tons during a calendar year.

(2) The fees assessed under division (C)(1) of this section are for the purpose of providing funding for the Title V permit program.

(3) The fees assessed under division (C)(1) of this section do not apply to emissions from any electric generating unit designated as a Phase I unit under Title IV of the federal Clean Air Act prior to calendar year 2000. Those fees shall be assessed on the emissions from such a generating unit commencing in calendar year 2001 based upon the total actual emissions from the generating unit during calendar year 2000 and shall continue to be assessed each subsequent calendar year based on the total actual emissions from the generating unit during the preceding calendar year.

(4) The director shall issue invoices to owners or operators of air contaminant sources who are required to pay a fee assessed under division (C) or (D) of this section. Any such invoice shall be issued no sooner than the applicable date when the fee first may be collected in a year under the applicable division, shall identify the nature and amount of the fee assessed, and shall indicate that the fee is required to be paid within thirty days after the issuance of the invoice.

(D)(1) Except as provided in division (D)(3) of this section, from

January 1, 1994, through December 31, 2003, each person who owns or operates an air contaminant source; who is required to apply for a permit to operate pursuant to rules adopted under division (G), or a variance pursuant to division (H), of section 3704.03 of the Revised Code; and who is not required to apply for and obtain a Title V permit under section 3704.036 of the Revised Code shall pay a single fee based upon the sum of the actual annual emissions from the facility of the regulated pollutants particulate matter, sulfur dioxide, nitrogen oxides, organic compounds, and lead in accordance with the following schedule:

Total tons per year of regulated pollutants emitted	Annual fee per facility
More than 0, but less than 50	\$ 75
50 or more, but less than 100	300
100 or more	700

(2) Except as provided in division (D)(3) of this section, beginning January 1, 2004, each person who owns or operates an air contaminant source; who is required to apply for a permit to operate pursuant to rules adopted under division (G), or a variance pursuant to division (H), of section 3704.03 of the Revised Code; and who is not required to apply for and obtain a Title V permit under section 3704.03 of the Revised Code shall pay a single fee based upon the sum of the actual annual emissions from the facility of the regulated pollutants particulate matter, sulfur dioxide, nitrogen oxides, organic compounds, and lead in accordance with the following schedule:

Total tons per year of regulated pollutants emitted	Annual fee per facility
More than 0, but less than 10	\$ 100
10 or more, but less than 50	200
50 or more, but less than 100	300
100 or more	700

(3)(a) As used in division (D) of this section, "synthetic minor facility" means a facility for which one or more permits to install or permits to operate have been issued for the air contaminant sources at the facility that include terms and conditions that lower the facility's potential to emit air contaminants below the major source thresholds established in rules adopted under section 3704.036 of the Revised Code.

(b) Beginning January 1, 2000, through June 30, ~~2008~~ 2010, each person who owns or operates a synthetic minor facility shall pay an annual

fee based on the sum of the actual annual emissions from the facility of particulate matter, sulfur dioxide, nitrogen dioxide, organic compounds, and lead in accordance with the following schedule:

Combined total tons per year of all regulated pollutants emitted	Annual fee per facility
Less than 10	\$ 170
10 or more, but less than 20	340
20 or more, but less than 30	670
30 or more, but less than 40	1,010
40 or more, but less than 50	1,340
50 or more, but less than 60	1,680
60 or more, but less than 70	2,010
70 or more, but less than 80	2,350
80 or more, but less than 90	2,680
90 or more, but less than 100	3,020
100 or more	3,350

(4) The fees assessed under division (D)(1) of this section shall be collected annually no sooner than the fifteenth day of April, commencing in 1995. The fees assessed under division (D)(2) of this section shall be collected annually no sooner than the fifteenth day of April, commencing in 2005. The fees assessed under division (D)(3) of this section shall be collected no sooner than the fifteenth day of April, commencing in 2000. The fees assessed under division (D) of this section in a calendar year shall be based upon the sum of the actual emissions of those regulated pollutants during the preceding calendar year. For the purpose of division (D) of this section, emissions of air contaminants may be calculated using engineering calculations, emission factors, material balance calculations, or performance testing procedures, as authorized by the director. The director, by rule, may require persons who are required to pay the fees assessed under division (D) of this section to pay those fees biennially rather than annually.

(E)(1) Consistent with the need to cover the reasonable costs of the Title V permit program, the director annually shall increase the fees prescribed in division (C)(1) of this section by the percentage, if any, by which the consumer price index for the most recent calendar year ending before the beginning of a year exceeds the consumer price index for calendar year 1989. Upon calculating an increase in fees authorized by division (E)(1) of this section, the director shall compile revised fee schedules for the purposes of division (C)(1) of this section and shall make the revised schedules available to persons required to pay the fees assessed under that division and

to the public.

(2) For the purposes of division (E)(1) of this section:

(a) The consumer price index for any year is the average of the consumer price index for all urban consumers published by the United States department of labor as of the close of the twelve-month period ending on the thirty-first day of August of that year.

(b) If the 1989 consumer price index is revised, the director shall use the revision of the consumer price index that is most consistent with that for calendar year 1989.

(F) Each person who is issued a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code on or after July 1, 2003, shall pay the fees specified in the following schedules:

(1) Fuel-burning equipment (boilers, furnaces, or process heaters used in the process of burning fuel for the primary purpose of producing heat or power by indirect heat transfer)

Input capacity (maximum) (million British thermal units per hour)	Permit to install
Greater than 0, but less than 10	\$ 200
10 or more, but less than 100	400
100 or more, but less than 300	1000
300 or more, but less than 500	2250
500 or more, but less than 1000	3750
1000 or more, but less than 5000	6000
5000 or more	9000

Units burning exclusively natural gas, number two fuel oil, or both shall be assessed a fee that is one-half the applicable amount shown in division (F)(1) of this section.

(2) Combustion turbines and stationary internal combustion engines designed to generate electricity

Generating capacity (mega watts)	Permit to install
0 or more, but less than 10	\$ 25
10 or more, but less than 25	150
25 or more, but less than 50	300
50 or more, but less than 100	500
100 or more, but less than 250	1000
250 or more	2000

(3) Incinerators

Input capacity (pounds per hour)	Permit to install
0 to 100	\$ 100
101 to 500	500

501 to 2000	1000
2001 to 20,000	1500
more than 20,000	3750

(4)(a) Process

Process weight rate (pounds per hour)	Permit to install
0 to 1000	\$ 200
1001 to 5000	500
5001 to 10,000	750
10,001 to 50,000	1000
more than 50,000	1250

In any process where process weight rate cannot be ascertained, the minimum fee shall be assessed. A boiler, furnace, combustion turbine, stationary internal combustion engine, or process heater designed to provide direct heat or power to a process not designed to generate electricity shall be assessed a fee established in division (F)(4)(a) of this section. A combustion turbine or stationary internal combustion engine designed to generate electricity shall be assessed a fee established in division (F)(2) of this section.

(b) Notwithstanding division (F)(4)(a) of this section, any person issued a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code shall pay the fees set forth in division (F)(4)(c) of this section for a process used in any of the following industries, as identified by the applicable two-digit, three-digit, or four-digit standard industrial classification code according to the Standard Industrial Classification Manual published by the United States office of management and budget in the executive office of the president, 1987, as revised:

- Major group 10, metal mining;
- Major group 12, coal mining;
- Major group 14, mining and quarrying of nonmetallic minerals;
- Industry group 204, grain mill products;
- 2873 Nitrogen fertilizers;
- 2874 Phosphatic fertilizers;
- 3281 Cut stone and stone products;
- 3295 Minerals and earth, ground or otherwise treated;
- 4221 Grain elevators (storage only);
- 5159 Farm related raw materials;
- 5261 Retail nurseries and lawn and garden supply stores.

(c) The fees set forth in the following schedule apply to the issuance of a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code for a process identified in division (F)(4)(b) of

this section:

Process weight rate (pounds per hour)	Permit to install
0 to 10,000	\$ 200
10,001 to 50,000	400
50,001 to 100,000	500
100,001 to 200,000	600
200,001 to 400,000	750
400,001 or more	900

(5) Storage tanks

Gallons (maximum useful capacity)	Permit to install
0 to 20,000	\$ 100
20,001 to 40,000	150
40,001 to 100,000	250
100,001 to 500,000	400
500,001 or greater	750

(6) Gasoline/fuel dispensing facilities

For each gasoline/fuel dispensing facility (includes all units at the facility)	Permit to install \$ 100
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(7) Dry cleaning facilities

For each dry cleaning facility (includes all units at the facility)	Permit to install \$ 100
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(8) Registration status

For each source covered by registration status	Permit to install \$ 75
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(G) An owner or operator who is responsible for an asbestos demolition or renovation project pursuant to rules adopted under section 3704.03 of the Revised Code shall pay the fees set forth in the following schedule:

Action	Fee
Each notification	\$75
Asbestos removal	\$3/unit
Asbestos cleanup	\$4/cubic yard

For purposes of this division, "unit" means any combination of linear feet or square feet equal to fifty.

(H) A person who is issued an extension of time for a permit to install an air contaminant source pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code shall pay a fee equal to one-half the fee originally assessed for the permit to install under this section, except that the

fee for such an extension shall not exceed two hundred dollars.

(I) A person who is issued a modification to a permit to install an air contaminant source pursuant to rules adopted under section 3704.03 of the Revised Code shall pay a fee equal to one-half of the fee that would be assessed under this section to obtain a permit to install the source. The fee assessed by this division only applies to modifications that are initiated by the owner or operator of the source and shall not exceed two thousand dollars.

(J) Notwithstanding division (B) or (F) of this section, a person who applies for or obtains a permit to install pursuant to rules adopted under division (F) of section 3704.03 of the Revised Code after the date actual construction of the source began shall pay a fee for the permit to install that is equal to twice the fee that otherwise would be assessed under the applicable division unless the applicant received authorization to begin construction under division (W) of section 3704.03 of the Revised Code. This division only applies to sources for which actual construction of the source begins on or after July 1, 1993. The imposition or payment of the fee established in this division does not preclude the director from taking any administrative or judicial enforcement action under this chapter, Chapter 3704., 3714., 3734., or 6111. of the Revised Code, or a rule adopted under any of them, in connection with a violation of rules adopted under division (F) of section 3704.03 of the Revised Code.

As used in this division, "actual construction of the source" means the initiation of physical on-site construction activities in connection with improvements to the source that are permanent in nature, including, without limitation, the installation of building supports and foundations and the laying of underground pipework.

(K) Fifty cents per ton of each fee assessed under division (C) of this section on actual emissions from a source and received by the environmental protection agency pursuant to that division shall be deposited into the state treasury to the credit of the small business assistance fund created in section 3706.19 of the Revised Code. The remainder of the moneys received by the division pursuant to that division and moneys received by the agency pursuant to divisions (D), (F), (G), (H), (I), and (J) of this section shall be deposited in the state treasury to the credit of the clean air fund created in section 3704.035 of the Revised Code.

(L)(1)(a) Except as otherwise provided in division (L)(1)(b) or (c) of this section, a person issued a water discharge permit or renewal of a water discharge permit pursuant to Chapter 6111. of the Revised Code shall pay a fee based on each point source to which the issuance is applicable in

accordance with the following schedule:

Design flow discharge (gallons per day)	Fee
0 to 1000	\$ 0
1,001 to 5000	100
5,001 to 50,000	200
50,001 to 100,000	300
100,001 to 300,000	525
over 300,000	750

(b) Notwithstanding the fee schedule specified in division (L)(1)(a) of this section, the fee for a water discharge permit that is applicable to coal mining operations regulated under Chapter 1513. of the Revised Code shall be two hundred fifty dollars per mine.

(c) Notwithstanding the fee schedule specified in division (L)(1)(a) of this section, the fee for a water discharge permit for a public discharger identified by I in the third character of the permittee's NPDES permit number shall not exceed seven hundred fifty dollars.

(2) A person applying for a plan approval for a wastewater treatment works pursuant to section 6111.44, 6111.45, or 6111.46 of the Revised Code shall pay a fee of one hundred dollars plus sixty-five one-hundredths of one per cent of the estimated project cost through June 30, ~~2008~~ 2010, and one hundred dollars plus two-tenths of one per cent of the estimated project cost on and after July 1, ~~2008~~ 2010, except that the total fee shall not exceed fifteen thousand dollars through June 30, ~~2008~~ 2010, and five thousand dollars on and after July 1, ~~2008~~ 2010. The fee shall be paid at the time the application is submitted.

(3) A person issued a modification of a water discharge permit shall pay a fee equal to one-half the fee that otherwise would be charged for a water discharge permit, except that the fee for the modification shall not exceed four hundred dollars.

(4) A person who has entered into an agreement with the director under section 6111.14 of the Revised Code shall pay an administrative service fee for each plan submitted under that section for approval that shall not exceed the minimum amount necessary to pay administrative costs directly attributable to processing plan approvals. The director annually shall calculate the fee and shall notify all persons who have entered into agreements under that section, or who have applied for agreements, of the amount of the fee.

(5)(a)(i) Not later than January 30, ~~2006~~ 2008, and January 30, ~~2007~~ 2009, a person holding an NPDES discharge permit issued pursuant to Chapter 6111. of the Revised Code with an average daily discharge flow of

five thousand gallons or more shall pay a nonrefundable annual discharge fee. Any person who fails to pay the fee at that time shall pay an additional amount that equals ten per cent of the required annual discharge fee.

(ii) The billing year for the annual discharge fee established in division (L)(5)(a)(i) of this section shall consist of a twelve-month period beginning on the first day of January of the year preceding the date when the annual discharge fee is due. In the case of an existing source that permanently ceases to discharge during a billing year, the director shall reduce the annual discharge fee, including the surcharge applicable to certain industrial facilities pursuant to division (L)(5)(c) of this section, by one-twelfth for each full month during the billing year that the source was not discharging, but only if the person holding the NPDES discharge permit for the source notifies the director in writing, not later than the first day of October of the billing year, of the circumstances causing the cessation of discharge.

(iii) The annual discharge fee established in division (L)(5)(a)(i) of this section, except for the surcharge applicable to certain industrial facilities pursuant to division (L)(5)(c) of this section, shall be based upon the average daily discharge flow in gallons per day calculated using first day of May through thirty-first day of October flow data for the period two years prior to the date on which the fee is due. In the case of NPDES discharge permits for new sources, the fee shall be calculated using the average daily design flow of the facility until actual average daily discharge flow values are available for the time period specified in division (L)(5)(a)(iii) of this section. The annual discharge fee may be prorated for a new source as described in division (L)(5)(a)(ii) of this section.

(b) An NPDES permit holder that is a public discharger shall pay the fee specified in the following schedule:

Average daily discharge flow	Fee due by January 30, 2006 2008, and January 30, 2007 2009
5,000 to 49,999	\$ 200
50,000 to 100,000	500
100,001 to 250,000	1,050
250,001 to 1,000,000	2,600
1,000,001 to 5,000,000	5,200
5,000,001 to 10,000,000	10,350
10,000,001 to 20,000,000	15,550
20,000,001 to 50,000,000	25,900

50,000,001 to 100,000,000	41,400
100,000,001 or more	62,100

Public dischargers owning or operating two or more publicly owned treatment works serving the same political subdivision, as "treatment works" is defined in section 6111.01 of the Revised Code, and that serve exclusively political subdivisions having a population of fewer than one hundred thousand shall pay an annual discharge fee under division (L)(5)(b) of this section that is based on the combined average daily discharge flow of the treatment works.

(c) An NPDES permit holder that is an industrial discharger, other than a coal mining operator identified by P in the third character of the permittee's NPDES permit number, shall pay the fee specified in the following schedule:

Average daily discharge flow	Fee due by January 30, 2006 <u>2008</u> , and January 30, 2007 <u>2009</u>
5,000 to 49,999	\$ 250
50,000 to 250,000	1,200
250,001 to 1,000,000	2,950
1,000,001 to 5,000,000	5,850
5,000,001 to 10,000,000	8,800
10,000,001 to 20,000,000	11,700
20,000,001 to 100,000,000	14,050
100,000,001 to 250,000,000	16,400
250,000,001 or more	18,700

In addition to the fee specified in the above schedule, an NPDES permit holder that is an industrial discharger classified as a major discharger during all or part of the annual discharge fee billing year specified in division (L)(5)(a)(ii) of this section shall pay a nonrefundable annual surcharge of seven thousand five hundred dollars not later than January 30, ~~2006~~ 2008, and not later than January 30, ~~2007~~ 2009. Any person who fails to pay the surcharge at that time shall pay an additional amount that equals ten per cent of the amount of the surcharge.

(d) Notwithstanding divisions (L)(5)(b) and (c) of this section, a public discharger identified by I in the third character of the permittee's NPDES permit number and an industrial discharger identified by I, J, L, V, W, X, Y, or Z in the third character of the permittee's NPDES permit number shall pay a nonrefundable annual discharge fee of one hundred eighty dollars not

later than January 30, ~~2006~~ 2008, and not later than January 30, ~~2007~~ 2009. Any person who fails to pay the fee at that time shall pay an additional amount that equals ten per cent of the required fee.

(6) Each person obtaining a national pollutant discharge elimination system general or individual permit for municipal storm water discharge shall pay a nonrefundable storm water discharge fee of one hundred dollars per square mile of area permitted. The fee shall not exceed ten thousand dollars and shall be payable on or before January 30, 2004, and the thirtieth day of January of each year thereafter. Any person who fails to pay the fee on the date specified in division (L)(6) of this section shall pay an additional amount per year equal to ten per cent of the annual fee that is unpaid.

(7) The director shall transmit all moneys collected under division (L) of this section 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.

(8) As used in division (L) of this section:

(a) "NPDES" means the federally approved national pollutant discharge elimination system program for issuing, modifying, revoking, reissuing, terminating, monitoring, and enforcing permits and imposing and enforcing pretreatment requirements under Chapter 6111. of the Revised Code and rules adopted under it.

(b) "Public discharger" means any holder of an NPDES permit identified by P in the second character of the NPDES permit number assigned by the director.

(c) "Industrial discharger" means any holder of an NPDES permit identified by I in the second character of the NPDES permit number assigned by the director.

(d) "Major discharger" means any holder of an NPDES permit classified as major by the regional administrator of the United States environmental protection agency in conjunction with the director.

(M) Through June 30, ~~2008~~ 2010, a person applying for a license or license renewal to operate a public water system under section 6109.21 of the Revised Code shall pay the appropriate fee established under this division at the time of application to the director. Any person who fails to pay the fee at that time shall pay an additional amount that equals ten per cent of the required fee. The director shall transmit all moneys collected under this division to the treasurer of state for deposit into the drinking water protection fund created in section 6109.30 of the Revised Code.

Except as provided in division (M)(4) of this section, fees required under this division shall be calculated and paid in accordance with the

following schedule:

(1) For the initial license required under division (A)(1) of section 6109.21 of the Revised Code for any public water system that is a community water system as defined in section 6109.01 of the Revised Code, and for each license renewal required for such a system prior to January 31, ~~2008~~ 2010, the fee is:

Number of service connections	Fee amount
Not more than 49	\$ 112
50 to 99	176
Number of service connections	Average cost per connection
100 to 2,499	\$ 1.92
2,500 to 4,999	1.48
5,000 to 7,499	1.42
7,500 to 9,999	1.34
10,000 to 14,999	1.16
15,000 to 24,999	1.10
25,000 to 49,999	1.04
50,000 to 99,999	.92
100,000 to 149,999	.86
150,000 to 199,999	.80
200,000 or more	.76

A public water system may determine how it will pay the total amount of the fee calculated under division (M)(1) of this section, including the assessment of additional user fees that may be assessed on a volumetric basis.

As used in division (M)(1) of this section, "service connection" means the number of active or inactive pipes, goosenecks, pigtails, and any other fittings connecting a water main to any building outlet.

(2) For the initial license required under division (A)(2) of section 6109.21 of the Revised Code for any public water system that is not a community water system and serves a nontransient population, and for each license renewal required for such a system prior to January 31, ~~2008~~ 2010, the fee is:

Population served	Fee amount
Fewer than 150	\$ 112
150 to 299	176
300 to 749	384
750 to 1,499	628
1,500 to 2,999	1,268
3,000 to 7,499	2,816

7,500 to 14,999	5,510
15,000 to 22,499	9,048
22,500 to 29,999	12,430
30,000 or more	16,820

As used in division (M)(2) of this section, "population served" means the total number of individuals receiving water from the water supply during a twenty-four-hour period for at least sixty days during any calendar year. In the absence of a specific population count, that number shall be calculated at the rate of three individuals per service connection.

(3) For the initial license required under division (A)(3) of section 6109.21 of the Revised Code for any public water system that is not a community water system and serves a transient population, and for each license renewal required for such a system prior to January 31, ~~2008~~ 2010, the fee is:

Number of wells supplying system	Fee amount
1	\$112
2	112
3	176
4	278
5	568
System designated as using a surface water source	792

As used in division (M)(3) of this section, "number of wells supplying system" means those wells that are physically connected to the plumbing system serving the public water system.

(4) A public water system designated as using a surface water source shall pay a fee of seven hundred ninety-two dollars or the amount calculated under division (M)(1) or (2) of this section, whichever is greater.

(N)(1) A person applying for a plan approval for a public water supply system under section 6109.07 of the Revised Code shall pay a fee of one hundred fifty dollars plus thirty-five hundredths of one per cent of the estimated project cost, except that the total fee shall not exceed twenty thousand dollars through June 30, ~~2008~~ 2010, and fifteen thousand dollars on and after July 1, ~~2008~~ 2010. The fee shall be paid at the time the application is submitted.

(2) A person who has entered into an agreement with the director under division (A)(2) of section 6109.07 of the Revised Code shall pay an administrative service fee for each plan submitted under that section for approval that shall not exceed the minimum amount necessary to pay administrative costs directly attributable to processing plan approvals. The

director annually shall calculate the fee and shall notify all persons that have entered into agreements under that division, or who have applied for agreements, of the amount of the fee.

(3) Through June 30, ~~2008~~ 2010, the following fee, on a per survey basis, shall be charged any person for services rendered by the state in the evaluation of laboratories and laboratory personnel for compliance with accepted analytical techniques and procedures established pursuant to Chapter 6109. of the Revised Code for determining the qualitative characteristics of water:

microbiological	
MMO-MUG	\$2,000
MF	2,100
MMO-MUG and MF	2,550
organic chemical	5,400
trace metals	5,400
standard chemistry	2,800
limited chemistry	1,550

On and after July 1, ~~2008~~ 2010, the following fee, on a per survey basis, shall be charged any such person:

microbiological	\$ 1,650
organic chemicals	3,500
trace metals	3,500
standard chemistry	1,800
limited chemistry	1,000

The fee for those services shall be paid at the time the request for the survey is made. Through June 30, ~~2008~~ 2010, an individual laboratory shall not be assessed a fee under this division more than once in any three-year period unless the person requests the addition of analytical methods or analysts, in which case the person shall pay eighteen hundred dollars for each additional survey requested.

As used in division (N)(3) of this section:

- (a) "MF" means microfiltration.
- (b) "MMO" means minimal medium ONPG.
- (c) "MUG" means 4-methylumbelliferyl-beta-D-glucuronide.
- (d) "ONPG" means o-nitrophenyl-beta-D-galactopyranoside.

The director shall transmit all moneys collected under this division to the treasurer of state for deposit into the drinking water protection fund created in section 6109.30 of the Revised Code.

(O) Any person applying to the director for examination for certification as an operator of a water supply system or wastewater system under Chapter

6109. or 6111. of the Revised Code, at the time the application is submitted, shall pay an application fee of forty-five dollars through November 30, ~~2008~~ 2010, and twenty-five dollars on and after December 1, ~~2008~~ 2010. Upon approval from the director that the applicant is eligible to take the examination therefor, the applicant shall pay a fee in accordance with the following schedule through November 30, ~~2008~~ 2010:

Class A operator	\$35
Class I operator	60
Class II operator	75
Class III operator	85
Class IV operator	100

On and after December 1, ~~2008~~ 2010, the applicant shall pay a fee in accordance with the following schedule:

Class A operator	\$25
Class I operator	\$45
Class II operator	55
Class III operator	65
Class IV operator	75

A person shall pay a biennial certification renewal fee for each applicable class of certification in accordance with the following schedule:

Class A operator	\$25
Class I operator	35
Class II operator	45
Class III operator	55
Class IV operator	65

If a certification renewal fee is received by the director more than thirty days, but not more than one year after the expiration date of the certification, the person shall pay a certification renewal fee in accordance with the following schedule:

Class A operator	\$45
Class I operator	55
Class II operator	65
Class III operator	75
Class IV operator	85

A person who requests a replacement certificate shall pay a fee of twenty-five dollars at the time the request is made.

The director shall transmit all moneys collected under this division to the treasurer of state for deposit into the drinking water protection fund created in section 6109.30 of the Revised Code.

(P) Any person submitting an application for an industrial water

pollution control certificate under section 6111.31 of the Revised Code, as that section existed before its repeal by H.B. 95 of the 125th general assembly, shall pay a nonrefundable fee of five hundred dollars at the time the application is submitted. The director shall transmit all moneys collected under this division to the treasurer of state for deposit into the surface water protection fund created in section 6111.038 of the Revised Code. A person paying a certificate fee under this division shall not pay an application fee under division (S)(1) of this section. On and after June 26, 2003, persons shall file such applications and pay the fee as required under sections 5709.20 to 5709.27 of the Revised Code, and proceeds from the fee shall be credited as provided in section 5709.212 of the Revised Code.

(Q) Except as otherwise provided in division (R) of this section, a person issued a permit by the director for a new solid waste disposal facility other than an incineration or composting facility, a new infectious waste treatment facility other than an incineration facility, or a modification of such an existing facility that includes an increase in the total disposal or treatment capacity of the facility pursuant to Chapter 3734. of the Revised Code shall pay a fee of ten dollars per thousand cubic yards of disposal or treatment capacity, or one thousand dollars, whichever is greater, except that the total fee for any such permit shall not exceed eighty thousand dollars. A person issued a modification of a permit for a solid waste disposal facility or an infectious waste treatment facility that does not involve an increase in the total disposal or treatment capacity of the facility shall pay a fee of one thousand dollars. A person issued a permit to install a new, or modify an existing, solid waste transfer facility under that chapter shall pay a fee of two thousand five hundred dollars. A person issued a permit to install a new or to modify an existing solid waste incineration or composting facility, or an existing infectious waste treatment facility using incineration as its principal method of treatment, under that chapter shall pay a fee of one thousand dollars. The increases in the permit fees under this division resulting from the amendments made by Amended Substitute House Bill 592 of the 117th general assembly do not apply to any person who submitted an application for a permit to install a new, or modify an existing, solid waste disposal facility under that chapter prior to September 1, 1987; any such person shall pay the permit fee established in this division as it existed prior to June 24, 1988. In addition to the applicable permit fee under this division, a person issued a permit to install or modify a solid waste facility or an infectious waste treatment facility under that chapter who fails to pay the permit fee to the director in compliance with division (V) of this section shall pay an additional ten per cent of the amount of the fee for each

week that the permit fee is late.

Permit and late payment fees paid to the director under this division shall be credited to the general revenue fund.

(R)(1) A person issued a registration certificate for a scrap tire collection facility under section 3734.75 of the Revised Code shall pay a fee of two hundred dollars, except that if the facility is owned or operated by a motor vehicle salvage dealer licensed under Chapter 4738. of the Revised Code, the person shall pay a fee of twenty-five dollars.

(2) A person issued a registration certificate for a new scrap tire storage facility under section 3734.76 of the Revised Code shall pay a fee of three hundred dollars, except that if the facility is owned or operated by a motor vehicle salvage dealer licensed under Chapter 4738. of the Revised Code, the person shall pay a fee of twenty-five dollars.

(3) A person issued a permit for a scrap tire storage facility under section 3734.76 of the Revised Code shall pay a fee of one thousand dollars, except that if the facility is owned or operated by a motor vehicle salvage dealer licensed under Chapter 4738. of the Revised Code, the person shall pay a fee of fifty dollars.

(4) A person issued a permit for a scrap tire monocell or monofill facility under section 3734.77 of the Revised Code shall pay a fee of ten dollars per thousand cubic yards of disposal capacity or one thousand dollars, whichever is greater, except that the total fee for any such permit shall not exceed eighty thousand dollars.

(5) A person issued a registration certificate for a scrap tire recovery facility under section 3734.78 of the Revised Code shall pay a fee of one hundred dollars.

(6) A person issued a permit for a scrap tire recovery facility under section 3734.78 of the Revised Code shall pay a fee of one thousand dollars.

(7) In addition to the applicable registration certificate or permit fee under divisions (R)(1) to (6) of this section, a person issued a registration certificate or permit for any such scrap tire facility who fails to pay the registration certificate or permit fee to the director in compliance with division (V) of this section shall pay an additional ten per cent of the amount of the fee for each week that the fee is late.

(8) The registration certificate, permit, and late payment fees paid to the director under divisions (R)(1) to (7) of this section shall be credited to the scrap tire management fund created in section 3734.82 of the Revised Code.

(S)(1) Except as provided by divisions (L), (M), (N), (O), (P), and (S)(2) of this section, division (A)(2) of section 3734.05 of the Revised Code, section 3734.79 of the Revised Code, and rules adopted under division

(T)(1) of this section, any person applying for a registration certificate under section 3734.75, 3734.76, or 3734.78 of the Revised Code or a permit, variance, or plan approval under Chapter 3734. of the Revised Code shall pay a nonrefundable fee of fifteen dollars at the time the application is submitted.

Except as otherwise provided, any person applying for a permit, variance, or plan approval under Chapter 6109. or 6111. of the Revised Code shall pay a nonrefundable fee of one hundred dollars at the time the application is submitted through June 30, ~~2008~~ 2010, and a nonrefundable fee of fifteen dollars at the time the application is submitted on and after July 1, ~~2008~~ 2010. Through June 30, ~~2008~~ 2010, any person applying for a national pollutant discharge elimination system permit under Chapter 6111. of the Revised Code shall pay a nonrefundable fee of two hundred dollars at the time of application for the permit. On and after July 1, ~~2008~~ 2010, such a person shall pay a nonrefundable fee of fifteen dollars at the time of application.

In addition to the application fee established under division (S)(1) of this section, any person applying for a national pollutant discharge elimination system general storm water construction permit shall pay a nonrefundable fee of twenty dollars per acre for each acre that is permitted above five acres at the time the application is submitted. However, the per acreage fee shall not exceed three hundred dollars. In addition, any person applying for a national pollutant discharge elimination system general storm water industrial permit shall pay a nonrefundable fee of one hundred fifty dollars at the time the application is submitted.

The director shall transmit all moneys collected under division (S)(1) of this section pursuant to Chapter 6109. of the Revised Code to the treasurer of state for deposit into the drinking water protection fund created in section 6109.30 of the Revised Code.

The director shall transmit all moneys collected under division (S)(1) of this section pursuant to Chapter 6111. of the Revised Code to the treasurer of state for deposit into the surface water protection fund created in section 6111.038 of the Revised Code.

If a registration certificate is issued under section 3734.75, 3734.76, or 3734.78 of the Revised Code, the amount of the application fee paid shall be deducted from the amount of the registration certificate fee due under division (R)(1), (2), or (5) of this section, as applicable.

If a person submits an electronic application for a registration certificate, permit, variance, or plan approval for which an application fee is established under division (S)(1) of this section, the person shall pay the

applicable application fee as expeditiously as possible after the submission of the electronic application. An application for a registration certificate, permit, variance, or plan approval for which an application fee is established under division (S)(1) of this section shall not be reviewed or processed until the applicable application fee, and any other fees established under this division, are paid.

(2) Division (S)(1) of this section does not apply to an application for a registration certificate for a scrap tire collection or storage facility submitted under section 3734.75 or 3734.76 of the Revised Code, as applicable, if the owner or operator of the facility or proposed facility is a motor vehicle salvage dealer licensed under Chapter 4738. of the Revised Code.

(T) The director may adopt, amend, and rescind rules in accordance with Chapter 119. of the Revised Code that do all of the following:

(1) Prescribe fees to be paid by applicants for and holders of any license, permit, variance, plan approval, or certification required or authorized by Chapter 3704., 3734., 6109., or 6111. of the Revised Code that are not specifically established in this section. The fees shall be designed to defray the cost of processing, issuing, revoking, modifying, denying, and enforcing the licenses, permits, variances, plan approvals, and certifications.

The director shall transmit all moneys collected under rules adopted under division (T)(1) of this section pursuant to Chapter 6109. of the Revised Code to the treasurer of state for deposit into the drinking water protection fund created in section 6109.30 of the Revised Code.

The director shall transmit all moneys collected under rules adopted under division (T)(1) of this section pursuant to Chapter 6111. of the Revised Code to the treasurer of state for deposit into the surface water protection fund created in section 6111.038 of the Revised Code.

(2) Exempt the state and political subdivisions thereof, including education facilities or medical facilities owned by the state or a political subdivision, or any person exempted from taxation by section 5709.07 or 5709.12 of the Revised Code, from any fee required by this section;

(3) Provide for the waiver of any fee, or any part thereof, otherwise required by this section whenever the director determines that the imposition of the fee would constitute an unreasonable cost of doing business for any applicant, class of applicants, or other person subject to the fee;

(4) Prescribe measures that the director considers necessary to carry out this section.

(U) When the director reasonably demonstrates that the direct cost to the state associated with the issuance of a permit to install, license, variance,

plan approval, or certification exceeds the fee for the issuance or review specified by this section, the director may condition the issuance or review on the payment by the person receiving the issuance or review of, in addition to the fee specified by this section, the amount, or any portion thereof, in excess of the fee specified under this section. The director shall not so condition issuances for which fees are prescribed in divisions (B)(7) and (L)(1)(b) of this section.

(V) Except as provided in divisions (L), (M), and (P) of this section or unless otherwise prescribed by a rule of the director adopted pursuant to Chapter 119. of the Revised Code, all fees required by this section are payable within thirty days after the issuance of an invoice for the fee by the director or the effective date of the issuance of the license, permit, variance, plan approval, or certification. If payment is late, the person responsible for payment of the fee shall pay an additional ten per cent of the amount due for each month that it is late.

(W) As used in this section, "fuel-burning equipment," "fuel-burning equipment input capacity," "incinerator," "incinerator input capacity," "process," "process weight rate," "storage tank," "gasoline dispensing facility," "dry cleaning facility," "design flow discharge," and "new source treatment works" have the meanings ascribed to those terms by applicable rules or standards adopted by the director under Chapter 3704. or 6111. of the Revised Code.

(X) As used in divisions (B), (C), (D), (E), (F), (H), (I), and (J) of this section, and in any other provision of this section pertaining to fees paid pursuant to Chapter 3704. of the Revised Code:

(1) "Facility," "federal Clean Air Act," "person," and "Title V permit" have the same meanings as in section 3704.01 of the Revised Code.

(2) "Title V permit program" means the following activities as necessary to meet the requirements of Title V of the federal Clean Air Act and 40 C.F.R. part 70, including at least:

(a) Preparing and adopting, if applicable, generally applicable rules or guidance regarding the permit program or its implementation or enforcement;

(b) Reviewing and acting on any application for a Title V permit, permit revision, or permit renewal, including the development of an applicable requirement as part of the processing of a permit, permit revision, or permit renewal;

(c) Administering the permit program, including the supporting and tracking of permit applications, compliance certification, and related data entry;

(d) Determining which sources are subject to the program and implementing and enforcing the terms of any Title V permit, not including any court actions or other formal enforcement actions;

(e) Emission and ambient monitoring;

(f) Modeling, analyses, or demonstrations;

(g) Preparing inventories and tracking emissions;

(h) Providing direct and indirect support to small business stationary sources to determine and meet their obligations under the federal Clean Air Act pursuant to the small business stationary source technical and environmental compliance assistance program required by section 507 of that act and established in sections 3704.18, 3704.19, and 3706.19 of the Revised Code.

(Y)(1) Except as provided in divisions (Y)(2), (3), and (4) of this section, each sewage sludge facility shall pay a nonrefundable annual sludge fee equal to three dollars and fifty cents per dry ton of sewage sludge, including the dry tons of sewage sludge in materials derived from sewage sludge, that the sewage sludge facility treats or disposes of in this state. The annual volume of sewage sludge treated or disposed of by a sewage sludge facility shall be calculated using the first day of January through the thirty-first day of December of the calendar year preceding the date on which payment of the fee is due.

(2)(a) Except as provided in division (Y)(2)(d) of this section, each sewage sludge facility shall pay a minimum annual sewage sludge fee of one hundred dollars.

(b) The annual sludge fee required to be paid by a sewage sludge facility that treats or disposes of exceptional quality sludge in this state shall be thirty-five per cent less per dry ton of exceptional quality sludge than the fee assessed under division (Y)(1) of this section, subject to the following exceptions:

(i) Except as provided in division (Y)(2)(d) of this section, a sewage sludge facility that treats or disposes of exceptional quality sludge shall pay a minimum annual sewage sludge fee of one hundred dollars.

(ii) A sewage sludge facility that treats or disposes of exceptional quality sludge shall not be required to pay the annual sludge fee for treatment or disposal in this state of exceptional quality sludge generated outside of this state and contained in bags or other containers not greater than one hundred pounds in capacity.

A thirty-five per cent reduction for exceptional quality sludge applies to the maximum annual fees established under division (Y)(3) of this section.

(c) A sewage sludge facility that transfers sewage sludge to another

sewage sludge facility in this state for further treatment prior to disposal in this state shall not be required to pay the annual sludge fee for the tons of sewage sludge that have been transferred. In such a case, the sewage sludge facility that disposes of the sewage sludge shall pay the annual sludge fee. However, the facility transferring the sewage sludge shall pay the one-hundred-dollar minimum fee required under division (Y)(2)(a) of this section.

In the case of a sewage sludge facility that treats sewage sludge in this state and transfers it out of this state to another entity for disposal, the sewage sludge facility in this state shall be required to pay the annual sludge fee for the tons of sewage sludge that have been transferred.

(d) A sewage sludge facility that generates sewage sludge resulting from an average daily discharge flow of less than five thousand gallons per day is not subject to the fees assessed under division (Y) of this section.

(3) No sewage sludge facility required to pay the annual sludge fee shall be required to pay more than the maximum annual fee for each disposal method that the sewage sludge facility uses. The maximum annual fee does not include the additional amount that may be charged under division (Y)(5) of this section for late payment of the annual sludge fee. The maximum annual fee for the following methods of disposal of sewage sludge is as follows:

(a) Incineration: five thousand dollars;

(b) Preexisting land reclamation project or disposal in a landfill: five thousand dollars;

(c) Land application, land reclamation, surface disposal, or any other disposal method not specified in division (Y)(3)(a) or (b) of this section: twenty thousand dollars.

(4)(a) In the case of an entity that generates sewage sludge or a sewage sludge facility that treats sewage sludge and transfers the sewage sludge to an incineration facility for disposal, the incineration facility, and not the entity generating the sewage sludge or the sewage sludge facility treating the sewage sludge, shall pay the annual sludge fee for the tons of sewage sludge that are transferred. However, the entity or facility generating or treating the sewage sludge shall pay the one-hundred-dollar minimum fee required under division (Y)(2)(a) of this section.

(b) In the case of an entity that generates sewage sludge and transfers the sewage sludge to a landfill for disposal or to a sewage sludge facility for land reclamation or surface disposal, the entity generating the sewage sludge, and not the landfill or sewage sludge facility, shall pay the annual sludge fee for the tons of sewage sludge that are transferred.

(5) Not later than the first day of April of the calendar year following March 17, 2000, and each first day of April thereafter, the director shall issue invoices to persons who are required to pay the annual sludge fee. The invoice shall identify the nature and amount of the annual sludge fee assessed and state the first day of May as the deadline for receipt by the director of objections regarding the amount of the fee and the first day of July as the deadline for payment of the fee.

Not later than the first day of May following receipt of an invoice, a person required to pay the annual sludge fee may submit objections to the director concerning the accuracy of information regarding the number of dry tons of sewage sludge used to calculate the amount of the annual sludge fee or regarding whether the sewage sludge qualifies for the exceptional quality sludge discount established in division (Y)(2)(b) of this section. The director may consider the objections and adjust the amount of the fee to ensure that it is accurate.

If the director does not adjust the amount of the annual sludge fee in response to a person's objections, the person may appeal the director's determination in accordance with Chapter 119. of the Revised Code.

Not later than the first day of June, the director shall notify the objecting person regarding whether the director has found the objections to be valid and the reasons for the finding. If the director finds the objections to be valid and adjusts the amount of the annual sludge fee accordingly, the director shall issue with the notification a new invoice to the person identifying the amount of the annual sludge fee assessed and stating the first day of July as the deadline for payment.

Not later than the first day of July, any person who is required to do so shall pay the annual sludge fee. Any person who is required to pay the fee, but who fails to do so on or before that date shall pay an additional amount that equals ten per cent of the required annual sludge fee.

(6) The director shall transmit all moneys collected under division (Y) of this section to the treasurer of state for deposit into the surface water protection fund created in section 6111.038 of the Revised Code. The moneys shall be used to defray the costs of administering and enforcing provisions in Chapter 6111. of the Revised Code and rules adopted under it that govern the use, storage, treatment, or disposal of sewage sludge.

(7) Beginning in fiscal year 2001, and every two years thereafter, the director shall review the total amount of moneys generated by the annual sludge fees to determine if that amount exceeded six hundred thousand dollars in either of the two preceding fiscal years. If the total amount of moneys in the fund exceeded six hundred thousand dollars in either fiscal

year, the director, after review of the fee structure and consultation with affected persons, shall issue an order reducing the amount of the fees levied under division (Y) of this section so that the estimated amount of moneys resulting from the fees will not exceed six hundred thousand dollars in any fiscal year.

If, upon review of the fees under division (Y)(7) of this section and after the fees have been reduced, the director determines that the total amount of moneys collected and accumulated is less than six hundred thousand dollars, the director, after review of the fee structure and consultation with affected persons, may issue an order increasing the amount of the fees levied under division (Y) of this section so that the estimated amount of moneys resulting from the fees will be approximately six hundred thousand dollars. Fees shall never be increased to an amount exceeding the amount specified in division (Y)(7) of this section.

Notwithstanding section 119.06 of the Revised Code, the director may issue an order under division (Y)(7) of this section without the necessity to hold an adjudicatory hearing in connection with the order. The issuance of an order under this division is not an act or action for purposes of section 3745.04 of the Revised Code.

(8) As used in division (Y) of this section:

(a) "Sewage sludge facility" means an entity that performs treatment on or is responsible for the disposal of sewage sludge.

(b) "Sewage sludge" means a solid, semi-solid, or liquid residue generated during the treatment of domestic sewage in a treatment works as defined in section 6111.01 of the Revised Code. "Sewage sludge" includes, but is not limited to, scum or solids removed in primary, secondary, or advanced wastewater treatment processes. "Sewage sludge" does not include ash generated during the firing of sewage sludge in a sewage sludge incinerator, grit and screenings generated during preliminary treatment of domestic sewage in a treatment works, animal manure, residue generated during treatment of animal manure, or domestic septage.

(c) "Exceptional quality sludge" means sewage sludge that meets all of the following qualifications:

(i) Satisfies the class A pathogen standards in 40 C.F.R. 503.32(a);

(ii) Satisfies one of the vector attraction reduction requirements in 40 C.F.R. 503.33(b)(1) to (b)(8);

(iii) Does not exceed the ceiling concentration limitations for metals listed in table one of 40 C.F.R. 503.13;

(iv) Does not exceed the concentration limitations for metals listed in table three of 40 C.F.R. 503.13.

(d) "Treatment" means the preparation of sewage sludge for final use or disposal and includes, but is not limited to, thickening, stabilization, and dewatering of sewage sludge.

(e) "Disposal" means the final use of sewage sludge, including, but not limited to, land application, land reclamation, surface disposal, or disposal in a landfill or an incinerator.

(f) "Land application" means the spraying or spreading of sewage sludge onto the land surface, the injection of sewage sludge below the land surface, or the incorporation of sewage sludge into the soil for the purposes of conditioning the soil or fertilizing crops or vegetation grown in the soil.

(g) "Land reclamation" means the returning of disturbed land to productive use.

(h) "Surface disposal" means the placement of sludge on an area of land for disposal, including, but not limited to, monofills, surface impoundments, lagoons, waste piles, or dedicated disposal sites.

(i) "Incinerator" means an entity that disposes of sewage sludge through the combustion of organic matter and inorganic matter in sewage sludge by high temperatures in an enclosed device.

(j) "Incineration facility" includes all incinerators owned or operated by the same entity and located on a contiguous tract of land. Areas of land are considered to be contiguous even if they are separated by a public road or highway.

(k) "Annual sludge fee" means the fee assessed under division (Y)(1) of this section.

(l) "Landfill" means a sanitary landfill facility, as defined in rules adopted under section 3734.02 of the Revised Code, that is licensed under section 3734.05 of the Revised Code.

(m) "Preexisting land reclamation project" means a property-specific land reclamation project that has been in continuous operation for not less than five years pursuant to approval of the activity by the director and includes the implementation of a community outreach program concerning the activity.

Sec. 3767.41. (A) As used in this section:

(1) "Building" means, except as otherwise provided in this division, any building or structure that is used or intended to be used for residential purposes. "Building" includes, but is not limited to, a building or structure in which any floor is used for retail stores, shops, salesrooms, markets, or similar commercial uses, or for offices, banks, civic administration activities, professional services, or similar business or civic uses, and in which the other floors are used, or designed and intended to be used, for

residential purposes. "Building" does not include any building or structure that is occupied by its owner and that contains three or fewer residential units.

(2)(a) "Public nuisance" means a building that is a menace to the public health, welfare, or safety; that is structurally unsafe, unsanitary, or not provided with adequate safe egress; that constitutes a fire hazard, is otherwise dangerous to human life, or is otherwise no longer fit and habitable; or that, in relation to its existing use, constitutes a hazard to the public health, welfare, or safety by reason of inadequate maintenance, dilapidation, obsolescence, or abandonment.

(b) "Public nuisance" as it applies to subsidized housing means subsidized housing that fails to meet the following standards as specified in the federal rules governing each standard:

(i) Each building on the site is structurally sound, secure, habitable, and in good repair, as defined in 24 C.F.R. 5.703(b);

(ii) Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system is free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(c);

(iii) Each dwelling unit within the building is structurally sound, habitable, and in good repair, and all areas and aspects of the dwelling unit are free of health and safety hazards, functionally adequate, operable, and in good repair, as defined in 24 C.F.R. 5.703(d)(1);

(iv) Where applicable, the dwelling unit has hot and cold running water, including an adequate source of potable water, as defined in 24 C.F.R. 5.703(d)(2);

(v) If the dwelling unit includes its own sanitary facility, it is in proper operating condition, usable in privacy, and adequate for personal hygiene, and the disposal of human waste, as defined in 24 C.F.R. 5.703(d)(3);

(vi) The common areas are structurally sound, secure, and functionally adequate for the purposes intended. The basement, garage, carport, restrooms, closets, utility, mechanical, community rooms, daycare, halls, corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas are free of health and safety hazards, operable, and in good repair. All common area ceilings, doors, floors, HVAC, lighting, smoke detectors, stairs, walls, and windows, to the extent applicable, are free of health and safety hazards, operable, and in good repair, as defined in 24 C.F.R. 5.703(e);

(vii) All areas and components of the housing are free of health and safety hazards. These areas include, but are not limited to, air quality,

electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint, as defined in 24 C.F.R. 5.703(f).

(3) "Abate" or "abatement" in connection with any building means the removal or correction of any conditions that constitute a public nuisance and the making of any other improvements that are needed to effect a rehabilitation of the building that is consistent with maintaining safe and habitable conditions over its remaining useful life. "Abatement" does not include the closing or boarding up of any building that is found to be a public nuisance.

(4) "Interested party" means any owner, mortgagee, lienholder, tenant, or person that possesses an interest of record in any property that becomes subject to the jurisdiction of a court pursuant to this section, and any applicant for the appointment of a receiver pursuant to this section.

(5) "Neighbor" means any owner of property, including, but not limited to, any person who is purchasing property by land installment contract or under a duly executed purchase contract, that is located within five hundred feet of any property that becomes subject to the jurisdiction of a court pursuant to this section, and any occupant of a building that is so located.

(6) "Tenant" has the same meaning as in section 5321.01 of the Revised Code.

(7) "Subsidized housing" means a property consisting of more than four dwelling units that, in whole or in part, receives project-based assistance pursuant to a contract under any of the following federal housing programs:

(a) The new construction or substantial rehabilitation program under section 8(b)(2) of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(b)(2) as that program was in effect immediately before the first day of October, 1983;

(b) The moderate rehabilitation program under section 8(e)(2) of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f(e)(2);

(c) The loan management assistance program under section 8 of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f;

(d) The rent supplement program under section 101 of the "Housing and Urban Development Act of 1965," Pub. L. No. 89-174, 79 Stat. 667, 12 U.S.C. 1701s;

(e) Section 8 of the "United States Housing Act of 1937," Pub. L. No. 75-412, 50 Stat. 888, 42 U.S.C. 1437f, following conversion from assistance under section 101 of the "Housing and Urban Development Act of 1965."

Pub. L. No. 89-174, 79 Stat. 667, 12 U.S.C. 1701s;

(f) The program of supportive housing for the elderly under section 202 of the "Housing Act of 1959," Pub. L. No. 86-372, 73 Stat. 654, 12 U.S.C. 1701q;

(g) The program of supportive housing for persons with disabilities under section 811 of the "National Affordable Housing Act of 1990," Pub. L. No. 101-625, 104 Stat. 4313, 42 U.S.C. 8013;

(h) The rental assistance program under section 521 of the "United States Housing Act of 1949," Pub. L. No. 90-448, 82 Stat. 551, as amended by Pub. L. No. 93-383, 88 Stat. 696, 42 U.S.C. 1490a.

(8) "Project-based assistance" means the assistance is attached to the property and provides rental assistance only on behalf of tenants who reside in that property.

(9) "Landlord" has the same meaning as in section 5321.01 of the Revised Code.

(B)(1)(a) In any civil action to enforce any local building, housing, air pollution, sanitation, health, fire, zoning, or safety code, ordinance, or regulation applicable to buildings, that is commenced in a court of common pleas, municipal court, housing or environmental division of a municipal court, or county court, or in any civil action for abatement commenced in a court of common pleas, municipal court, housing or environmental division of a municipal court, or county court, by a municipal corporation in which the building involved is located, by any neighbor, tenant, or by a nonprofit corporation that is duly organized and has as one of its goals the improvement of housing conditions in the county or municipal corporation in which the building involved is located, if a building is alleged to be a public nuisance, the municipal corporation, neighbor, tenant, or nonprofit corporation may apply in its complaint for an injunction or other order as described in division (C)(1) of this section, or for the relief described in division (C)(2) of this section, including, if necessary, the appointment of a receiver as described in divisions (C)(2) and (3) of this section, or for both such an injunction or other order and such relief. The municipal corporation, neighbor, tenant, or nonprofit corporation commencing the action is not liable for the costs, expenses, and fees of any receiver appointed pursuant to divisions (C)(2) and (3) of this section.

(b) Prior to commencing a civil action for abatement when the property alleged to be a public nuisance is subsidized housing, the municipal corporation, neighbor, tenant, or nonprofit corporation commencing the action shall provide the landlord of that property with written notice that specifies one or more defective conditions that constitute a public nuisance

as that term applies to subsidized housing and states that if the landlord fails to remedy the condition within sixty days of the service of the notice, a claim pursuant to this section may be brought on the basis that the property constitutes a public nuisance in subsidized housing. Any party authorized to bring an action against the landlord shall make reasonable attempts to serve the notice in the manner prescribed in the Rules of Civil Procedure to the landlord or the landlord's agent for the property at the property's management office, or at the place where the tenants normally pay or send rent. If the landlord is not the owner of record, the party bringing the action shall make a reasonable attempt to serve the owner. If the owner does not receive service the person bringing the action shall certify the attempts to serve the owner.

(2)(a) In a civil action described in division (B)(1) of this section, a copy of the complaint and a notice of the date and time of a hearing on the complaint shall be served upon the owner of the building and all other interested parties in accordance with the Rules of Civil Procedure. If certified mail service, personal service, or residence service of the complaint and notice is refused or certified mail service of the complaint and notice is not claimed, and if the municipal corporation, neighbor, tenant, or nonprofit corporation commencing the action makes a written request for ordinary mail service of the complaint and notice, or uses publication service, in accordance with the Rules of Civil Procedure, then a copy of the complaint and notice shall be posted in a conspicuous place on the building.

(b) The judge in a civil action described in division (B)(1) of this section shall conduct a hearing at least twenty-eight days after the owner of the building and the other interested parties have been served with a copy of the complaint and the notice of the date and time of the hearing in accordance with division (B)(2)(a) of this section.

(c) In considering whether subsidized housing is a public nuisance, the judge shall construe the standards set forth in division (A)(2)(b) of this section in a manner consistent with department of housing and urban development and judicial interpretations of those standards. The judge shall deem that the property is not a public nuisance if during the twelve months prior to the service of the notice that division (B)(1)(b) of this section requires, the department of housing and urban development's real estate assessment center issued a score of seventy-five or higher out of a possible one hundred points pursuant to its regulations governing the physical condition of multifamily properties pursuant to 24 C.F.R. part 200, subpart P, and since the most recent inspection, there has been no significant change in the property's conditions that would create a serious threat to the health,

safety, or welfare of the property's tenants.

(C)(1) If the judge in a civil action described in division (B)(1) of this section finds at the hearing required by division (B)(2) of this section that the building involved is a public nuisance, if the judge additionally determines that the owner of the building previously has not been afforded a reasonable opportunity to abate the public nuisance or has been afforded such an opportunity and has not refused or failed to abate the public nuisance, and if the complaint of the municipal corporation, neighbor, tenant, or nonprofit corporation commencing the action requested the issuance of an injunction as described in this division, then the judge may issue an injunction requiring the owner of the building to abate the public nuisance or issue any other order that the judge considers necessary or appropriate to cause the abatement of the public nuisance. If an injunction is issued pursuant to this division, the owner of the building involved shall be given no more than thirty days from the date of the entry of the judge's order to comply with the injunction, unless the judge, for good cause shown, extends the time for compliance.

(2) If the judge in a civil action described in division (B)(1) of this section finds at the hearing required by division (B)(2) of this section that the building involved is a public nuisance, if the judge additionally determines that the owner of the building previously has been afforded a reasonable opportunity to abate the public nuisance and has refused or failed to do so, and if the complaint of the municipal corporation, neighbor, tenant, or nonprofit corporation commencing the action requested relief as described in this division, then the judge shall offer any mortgagee, lienholder, or other interested party associated with the property on which the building is located, in the order of the priority of interest in title, the opportunity to undertake the work and to furnish the materials necessary to abate the public nuisance. Prior to selecting any interested party, the judge shall require the interested party to demonstrate the ability to promptly undertake the work and furnish the materials required, to provide the judge with a viable financial and construction plan for the rehabilitation of the building as described in division (D) of this section, and to post security for the performance of the work and the furnishing of the materials.

If the judge determines, at the hearing, that no interested party is willing or able to undertake the work and to furnish the materials necessary to abate the public nuisance, or if the judge determines, at any time after the hearing, that any party who is undertaking corrective work pursuant to this division cannot or will not proceed, or has not proceeded with due diligence, the judge may appoint a receiver pursuant to division (C)(3) of this section to

take possession and control of the building.

(3)(a) The judge in a civil action described in division (B)(1) of this section shall not appoint any person as a receiver unless the person first has provided the judge with a viable financial and construction plan for the rehabilitation of the building involved as described in division (D) of this section and has demonstrated the capacity and expertise to perform the required work and to furnish the required materials in a satisfactory manner. An appointed receiver may be a financial institution that possesses an interest of record in the building or the property on which it is located, a nonprofit corporation as described in divisions (B)(1) and (C)(3)(b) of this section, including, but not limited to, a nonprofit corporation that commenced the action described in division (B)(1) of this section, or any other qualified property manager.

(b) To be eligible for appointment as a receiver, no part of the net earnings of a nonprofit corporation shall inure to the benefit of any private shareholder or individual. Membership on the board of trustees of a nonprofit corporation appointed as a receiver does not constitute the holding of a public office or employment within the meaning of sections 731.02 and 731.12 or any other section of the Revised Code and does not constitute a direct or indirect interest in a contract or expenditure of money by any municipal corporation. A member of a board of trustees of a nonprofit corporation appointed as a receiver shall not be disqualified from holding any public office or employment, and shall not forfeit any public office or employment, by reason of ~~his~~ membership on the board of trustees, notwithstanding any law to the contrary.

(D) Prior to ordering any work to be undertaken, or the furnishing of any materials, to abate a public nuisance under this section, the judge in a civil action described in division (B)(1) of this section shall review the submitted financial and construction plan for the rehabilitation of the building involved and, if it specifies all of the following, shall approve that plan:

(1) The estimated cost of the labor, materials, and any other development costs that are required to abate the public nuisance;

(2) The estimated income and expenses of the building and the property on which it is located after the furnishing of the materials and the completion of the repairs and improvements;

(3) The terms, conditions, and availability of any financing that is necessary to perform the work and to furnish the materials;

(4) If repair and rehabilitation of the building are found not to be feasible, the cost of demolition of the building or of the portions of the

building that constitute the public nuisance.

(E) Upon the written request of any of the interested parties to have a building, or portions of a building, that constitute a public nuisance demolished because repair and rehabilitation of the building are found not to be feasible, the judge may order the demolition. However, the demolition shall not be ordered unless the requesting interested parties have paid the costs of demolition and, if any, of the receivership, and, if any, all notes, certificates, mortgages, and fees of the receivership.

(F) Before proceeding with ~~his~~ the duties of receiver, any receiver appointed by the judge in a civil action described in division (B)(1) of this section may be required by the judge to post a bond in an amount fixed by the judge, but not exceeding the value of the building involved as determined by the judge.

The judge may empower the receiver to do any or all of the following:

(1) Take possession and control of the building and the property on which it is located, operate and manage the building and the property, establish and collect rents and income, lease and rent the building and the property, and evict tenants;

(2) Pay all expenses of operating and conserving the building and the property, including, but not limited to, the cost of electricity, gas, water, sewerage, heating fuel, repairs and supplies, custodian services, taxes and assessments, and insurance premiums, and hire and pay reasonable compensation to a managing agent;

(3) Pay pre-receivership mortgages or installments of them and other liens;

(4) Perform or enter into contracts for the performance of all work and the furnishing of materials necessary to abate, and obtain financing for the abatement of, the public nuisance;

(5) Pursuant to court order, remove and dispose of any personal property abandoned, stored, or otherwise located in or on the building and the property that creates a dangerous or unsafe condition or that constitutes a violation of any local building, housing, air pollution, sanitation, health, fire, zoning, or safety code, ordinance, or regulation;

(6) Obtain mortgage insurance for any receiver's mortgage from any agency of the federal government;

(7) Enter into any agreement and do those things necessary to maintain and preserve the building and the property and comply with all local building, housing, air pollution, sanitation, health, fire, zoning, or safety codes, ordinances, and regulations;

(8) Give the custody of the building and the property, and the

opportunity to abate the nuisance and operate the property, to its owner or any mortgagee or lienholder of record;

(9) Issue notes and secure them by a mortgage bearing interest, and upon terms and conditions, that the judge approves. When sold or transferred by the receiver in return for valuable consideration in money, material, labor, or services, the notes or certificates shall be freely transferable. Any mortgages granted by the receiver shall be superior to any claims of the receiver. Priority among the receiver's mortgages shall be determined by the order in which they are recorded.

(G) A receiver appointed pursuant to this section is not personally liable except for misfeasance, malfeasance, or nonfeasance in the performance of the functions of ~~his~~ the office of receiver.

(H)(1) The judge in a civil action described in division (B)(1) of this section may assess as court costs, the expenses described in division (F)(2) of this section, and may approve receiver's fees to the extent that they are not covered by the income from the property. Subject to that limitation, a receiver appointed pursuant to divisions (C)(2) and (3) of this section is entitled to receive fees in the same manner and to the same extent as receivers appointed in actions to foreclose mortgages.

(2)(a) Pursuant to the police powers vested in the state, all expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C)(2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance, and any expenditures in connection with the foreclosure of the lien created by this division, is a first lien upon the building involved and the property on which it is located and is superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including, but not limited to, those for taxes and assessments, upon the occurrence of both of the following:

(i) The prior approval of the expenditures by, and the entry of a judgment to that effect by, the judge in the civil action described in division (B)(1) of this section;

(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located with the county recorder in the county in which the property is located within sixty days after the date of the entry of the judgment.

(b) Pursuant to the police powers vested in the state, all expenses and other amounts paid in accordance with division (F) of this section by a receiver appointed pursuant to divisions (C)(2) and (3) of this section, the amounts of any notes issued by the receiver in accordance with division (F)

of this section, all mortgages granted by the receiver in accordance with that division, the fees of the receiver approved pursuant to division (H)(1) of this section, and any amounts expended in connection with the foreclosure of a mortgage granted by the receiver in accordance with division (F) of this section or with the foreclosure of the lien created by this division, are a first lien upon the building involved and the property on which it is located and are superior to all prior and subsequent liens or other encumbrances associated with the building or the property, including, but not limited to, those for taxes and assessments, upon the occurrence of both of the following:

(i) The approval of the expenses, amounts, or fees by, and the entry of a judgment to that effect by, the judge in the civil action described in division (B)(1) of this section; or the approval of the mortgages in accordance with division (F)(9) of this section by, and the entry of a judgment to that effect by, that judge;

(ii) The recordation of a certified copy of the judgment entry and a sufficient description of the property on which the building is located, or, in the case of a mortgage, the recordation of the mortgage, a certified copy of the judgment entry, and such a description, with the county recorder of the county in which the property is located within sixty days after the date of the entry of the judgment.

(c) Priority among the liens described in divisions (H)(2)(a) and (b) of this section shall be determined as described in division (I) of this section. Additionally, the creation pursuant to this section of a mortgage lien that is prior to or superior to any mortgage of record at the time the mortgage lien is so created, does not disqualify the mortgage of record as a legal investment under Chapter 1107. or 1151. or any other chapter of the Revised Code.

(I)(1) If a receiver appointed pursuant to divisions (C)(2) and (3) of this section files with the judge in the civil action described in division (B)(1) of this section a report indicating that the public nuisance has been abated, if the judge confirms that the receiver has abated the public nuisance, and if the receiver or any interested party requests the judge to enter an order directing the receiver to sell the building and the property on which it is located, the judge may enter that order after holding a hearing as described in division (I)(2) of this section and otherwise complying with that division.

(2)(a) The receiver or interested party requesting an order as described in division (I)(1) of this section shall cause a notice of the date and time of a hearing on the request to be served on the owner of the building involved and all other interested parties in accordance with division (B)(2)(a) of this

section. The judge in the civil action described in division (B)(1) of this section shall conduct the scheduled hearing. At the hearing, if the owner or any interested party objects to the sale of the building and the property, the burden of proof shall be upon the objecting person to establish, by a preponderance of the evidence, that the benefits of not selling the building and the property outweigh the benefits of selling them. If the judge determines that there is no objecting person, or if the judge determines that there is one or more objecting persons but no objecting person has sustained the burden of proof specified in this division, the judge may enter an order directing the receiver to offer the building and the property for sale upon terms and conditions that the judge shall specify.

(b) In any sale of subsidized housing that is ordered pursuant to this section, the judge shall specify that the subsidized housing not be conveyed unless that conveyance complies with applicable federal law and applicable program contracts for that housing. Any such conveyance shall be subject to the condition that the purchaser enter into a contract with the department of housing and urban development or the rural housing service of the federal department of agriculture under which the property continues to be subsidized housing and the owner continues to operate that property as subsidized housing unless the secretary of housing and urban development or the administrator of the rural housing service terminates that property's contract prior to or upon the conveyance of the property.

(3) If a sale of a building and the property on which it is located is ordered pursuant to divisions (I)(1) and (2) of this section and if the sale occurs in accordance with the terms and conditions specified by the judge in ~~his~~ the judge's order of sale, then the receiver shall distribute the proceeds of the sale and the balance of any funds that the receiver may possess, after the payment of the costs of the sale, in the following order of priority and in the described manner:

(a) First, in satisfaction of any notes issued by the receiver pursuant to division (F) of this section, in their order of priority;

(b) Second, any unreimbursed expenses and other amounts paid in accordance with division (F) of this section by the receiver, and the fees of the receiver approved pursuant to division (H)(1) of this section;

(c) Third, all expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C)(2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance, provided that the expenditures were approved as described in division (H)(2)(a) of this section and provided that, if any such interested party subsequently became the receiver, its expenditures shall be paid prior

to the expenditures of any of the other interested parties so selected;

(d) Fourth, the amount due for delinquent taxes, assessments, charges, penalties, and interest owed to this state or a political subdivision of this state, provided that, if the amount available for distribution pursuant to division (I)(3)(d) of this section is insufficient to pay the entire amount of those taxes, assessments, charges, penalties, and interest, the proceeds and remaining funds shall be paid to each claimant in proportion to the amount of those taxes, assessments, charges, penalties, and interest that each is due.

(e) The amount of any pre-receivership mortgages, liens, or other encumbrances, in their order of priority.

(4) Following a distribution in accordance with division (I)(3) of this section, the receiver shall request the judge in the civil action described in division (B)(1) of this section to enter an order terminating the receivership. If the judge determines that the sale of the building and the property on which it is located occurred in accordance with the terms and conditions specified by the judge in ~~his~~ the judge's order of sale under division (I)(2) of this section and that the receiver distributed the proceeds of the sale and the balance of any funds that the receiver possessed, after the payment of the costs of the sale, in accordance with division (I)(3) of this section, and if the judge approves any final accounting required of the receiver, the judge may terminate the receivership.

(J)(1) A receiver appointed pursuant to divisions (C)(2) and (3) of this section may be discharged at any time in the discretion of the judge in the civil action described in division (B)(1) of this section. The receiver shall be discharged by the judge as provided in division (I)(4) of this section, or when all of the following have occurred:

(a) The public nuisance has been abated;

(b) All costs, expenses, and approved fees of the receivership have been paid;

(c) Either all receiver's notes issued and mortgages granted pursuant to this section have been paid, or all the holders of the notes and mortgages request that the receiver be discharged.

(2) If a judge in a civil action described in division (B)(1) of this section determines that, and enters of record a declaration that, a public nuisance has been abated by a receiver, and if, within three days after the entry of the declaration, all costs, expenses, and approved fees of the receivership have not been paid in full, then, in addition to the circumstances specified in division (I) of this section for the entry of such an order, the judge may enter an order directing the receiver to sell the building involved and the property on which it is located. Any such order shall be entered, and the sale shall

occur, only in compliance with division (I) of this section.

(K) The title in any building, and in the property on which it is located, that is sold at a sale ordered under division (I) or (J)(2) of this section shall be incontestable in the purchaser and shall be free and clear of all liens for delinquent taxes, assessments, charges, penalties, and interest owed to this state or any political subdivision of this state, that could not be satisfied from the proceeds of the sale and the remaining funds in the receiver's possession pursuant to the distribution under division (I)(3) of this section. All other liens and encumbrances with respect to the building and the property shall survive the sale, including, but not limited to, a federal tax lien notice properly filed in accordance with section 317.09 of the Revised Code prior to the time of the sale, and the easements and covenants of record running with the property that were created prior to the time of the sale.

(L)(1) Nothing in this section shall be construed as a limitation upon the powers granted to a court of common pleas, a municipal court or a housing or environmental division of a municipal court under Chapter 1901. of the Revised Code, or a county court under Chapter 1907. of the Revised Code.

(2) The monetary and other limitations specified in Chapters 1901. and 1907. of the Revised Code upon the jurisdiction of municipal and county courts, and of housing or environmental divisions of municipal courts, in civil actions do not operate as limitations upon any of the following:

(a) Expenditures of a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C)(2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance;

(b) Any notes issued by a receiver pursuant to division (F) of this section;

(c) Any mortgage granted by a receiver in accordance with division (F) of this section;

(d) Expenditures in connection with the foreclosure of a mortgage granted by a receiver in accordance with division (F) of this section;

(e) The enforcement of an order of a judge entered pursuant to this section;

(f) The actions that may be taken pursuant to this section by a receiver or a mortgagee, lienholder, or other interested party that has been selected pursuant to division (C)(2) of this section to undertake the work and to furnish the materials necessary to abate a public nuisance.

(3) A judge in a civil action described in division (B)(1) of this section, or the judge's successor in office, has continuing jurisdiction to review the condition of any building that was determined to be a public nuisance

pursuant to this section.

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~~ 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 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.

~~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, 2006, and ending on and including June 30, 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. 3770.03. (A) The state lottery commission shall promulgate rules under which a statewide lottery may be conducted. The rules shall be promulgated pursuant to Chapter 119. of the Revised Code, except that instant game rules shall be promulgated pursuant to section 111.15 of the Revised Code but are not subject to division (D) of that section. Subjects covered in these rules shall include, but need not be limited to, the following:

(1) The type of lottery to be conducted;

(2) The prices of tickets in the lottery; No rule shall set a price that exceeds twenty dollars to purchase an individual lottery ticket.

(3) The number, nature, and value of prize awards, the manner and frequency of prize drawings, and the manner in which prizes shall be awarded to holders of winning tickets. No rule shall authorize drawings on a Sunday for any lottery game unless the rule is approved by an executive order of the governor.

(B) The commission shall promulgate rules, in addition to those described in division (A) of this section, pursuant to Chapter 119. of the Revised Code under which a statewide lottery and statewide joint lottery games may be conducted. Subjects covered in these rules shall include, but not be limited to, the following:

(1) The locations at which lottery tickets may be sold and the manner in which they are to be sold. These rules may authorize the sale of lottery tickets by commission personnel or other licensed individuals from traveling

show wagons at the state fair, and at any other expositions the director of the commission considers acceptable. These rules shall prohibit commission personnel or other licensed individuals from soliciting from an exposition the right to sell lottery tickets at that exposition, but shall allow commission personnel or other licensed individuals to sell lottery tickets at an exposition if the exposition requests commission personnel or licensed individuals to do so. These rules may also address the accessibility of sales agent locations to commission products in accordance with the "Americans with Disabilities Act of 1990," 104 Stat. 327, 42 U.S.C.A. 12101 et seq.

(2) The manner in which lottery sales revenues are to be collected, including authorization for the director to impose penalties for failure by lottery sales agents to transfer revenues to the commission in a timely manner;

(3) The amount of compensation to be paid licensed lottery sales agents;

(4) The substantive criteria for the licensing of lottery sales agents consistent with section 3770.05 of the Revised Code, and procedures for revoking or suspending their licenses consistent with Chapter 119. of the Revised Code. If circumstances, such as the nonpayment of funds owed by a lottery sales agent, or other circumstances related to the public safety, convenience, or trust, require immediate action, the director may suspend a license without affording an opportunity for a prior hearing under section 119.07 of the Revised Code.

(5) Special game rules to implement any agreements signed by the governor that the director enters into with other lottery jurisdictions under division (J) of section 3770.02 of the Revised Code to conduct statewide joint lottery games. The rules shall require that the entire net proceeds of those games that remain, after associated operating expenses, prize disbursements, lottery sales agent bonuses, commissions, and reimbursements, and any other expenses necessary to comply with the agreements or the rules are deducted from the gross proceeds of those games, be transferred to the lottery profits education fund under division (B) of section 3770.06 of the Revised Code.

(C) The commission may promulgate rules, in addition to those described in divisions (A) and (B) of this section, that establish standards governing the display of advertising and celebrity images on lottery tickets and on other items that are used in the conduct of, or to promote, the statewide lottery and statewide joint lottery games. Any revenue derived from the sale of advertising displayed on lottery tickets and on those other items shall be considered, for purposes of section 3770.06 of the Revised Code, to be related proceeds in connection with the statewide lottery or

gross proceeds from statewide joint lottery games, as applicable.

(D)(1) The commission shall meet with the director at least once each month and shall convene other meetings at the request of the chairperson or any five of the members. No action taken by the commission shall be binding unless at least five of the members present vote in favor of the action. A written record shall be made of the proceedings of each meeting and shall be transmitted forthwith to the governor, the president of the senate, the senate minority leader, the speaker of the house of representatives, and the house minority leader.

(2) The director shall present to the commission a report each month, showing the total revenues, prize disbursements, and operating expenses of the state lottery for the preceding month. As soon as practicable after the end of each fiscal year, the commission shall prepare and transmit to the governor and the general assembly a report of lottery revenues, prize disbursements, and operating expenses for the preceding fiscal year and any recommendations for legislation considered necessary by the commission.

Sec. 3770.06. (A) There is hereby created the state lottery gross revenue fund, which shall be in the custody of the treasurer of state but shall not be part of the state treasury. All gross revenues received from sales of lottery tickets, fines, fees, and related proceeds in connection with the statewide lottery and all gross proceeds from statewide joint lottery games shall be deposited into the fund. The treasurer of state shall invest any portion of the fund not needed for immediate use in the same manner as, and subject to all provisions of law with respect to the investment of, state funds. The treasurer of state shall disburse money from the fund on order of the director of the state lottery commission or the director's designee.

Except for gross proceeds from statewide joint lottery games, all revenues of the state lottery gross revenue fund that are not paid to holders of winning lottery tickets, that are not required to meet short-term prize liabilities, that are not credited to lottery sales agents in the form of bonuses, commissions, or reimbursements, that are not paid to financial institutions to reimburse those institutions for sales agent nonsufficient funds, and that are collected from sales agents for remittance to insurers under contract to provide sales agent bonding services shall be transferred to the state lottery fund, which is hereby created in the state treasury. In addition, all revenues of the state lottery gross revenue fund that represent the gross proceeds from the statewide joint lottery games and that are not paid to holders of winning lottery tickets, that are not required to meet short-term prize liabilities, that are not credited to lottery sales agents in the form of bonuses, commissions, or reimbursements, and that are not necessary to cover operating expenses

associated with those games or to otherwise comply with the agreements signed by the governor that the director enters into under division (J) of section 3770.02 of the Revised Code or the rules the commission adopts under division (B)(5) of section 3770.03 of the Revised Code shall be transferred to the state lottery fund. All investment earnings of the fund shall be credited to the fund. Moneys shall be disbursed from the fund pursuant to vouchers approved by the director. Total disbursements for monetary prize awards to holders of winning lottery tickets in connection with the statewide lottery and purchases of goods and services awarded as prizes to holders of winning lottery tickets shall be of an amount equal to at least fifty per cent of the total revenue accruing from the sale of lottery tickets.

(B) Pursuant to Section 6 of Article XV, Ohio Constitution, there is hereby established in the state treasury the lottery profits education fund. Whenever, in the judgment of the director of budget and management, the amount to the credit of the state lottery fund that does not represent proceeds from statewide joint lottery games is in excess of that needed to meet the maturing obligations of the commission and as working capital for its further operations, the director shall transfer the excess to the lottery profits education fund in connection with the statewide lottery. In addition, whenever, in the judgment of the director of budget and management, the amount to the credit of the state lottery fund that represents proceeds from statewide joint lottery games equals the entire net proceeds of those games as described in division (B)(5) of section 3770.03 of the Revised Code and the rules adopted under that division, the director shall transfer those proceeds to the lottery profits education fund. There shall also be credited to the fund any repayments of moneys loaned from the educational excellence investment fund. Investment earnings of the lottery profits education fund shall be credited to the fund.

The lottery profits education fund shall be used solely for the support of elementary, secondary, vocational, and special education programs as determined in appropriations made by the general assembly, or as provided in applicable bond proceedings for the payment of debt service on obligations issued to pay costs of capital facilities, including those for a system of common schools throughout the state pursuant to section 2n of Article VIII, Ohio Constitution. When determining the availability of money in the lottery profits education fund, the director of budget and management may consider all balances and estimated revenues of the fund.

~~From the amounts that the director of budget and management transfers in any fiscal year from the state lottery fund to the lottery profits education fund, the director shall transfer the initial ten million dollars of those~~

~~amounts from the lottery profits education fund to the school building program bond service fund created in division (Q) of section 3318.26 of the Revised Code to be pledged for the purpose of paying bond service charges as defined in division (C) of section 3318.21 of the Revised Code on one or more issuances of obligations, which obligations are issued to provide moneys for the school building program assistance fund created in section 3318.25 of the Revised Code.~~

(C) There is hereby established in the state treasury the deferred prizes trust fund. With the approval of the director of budget and management, an amount sufficient to fund annuity prizes shall be transferred from the state lottery fund and credited to the trust fund. The treasurer of state shall credit all earnings arising from investments purchased under this division to the trust fund. Within sixty days after the end of each fiscal year, the treasurer of state shall certify to the director of budget and management whether the actuarial amount of the trust fund is sufficient over the fund's life for continued funding of all remaining deferred prize liabilities as of the last day of the fiscal year just ended. Also, within that sixty days, the director of budget and management shall certify the amount of investment earnings necessary to have been credited to the trust fund during the fiscal year just ending to provide for such continued funding of deferred prizes. Any earnings credited in excess of ~~this~~ the latter certified amount shall be transferred to the lottery profits education fund.

To provide all or a part of the amounts necessary to fund deferred prizes awarded by the commission in connection with the statewide lottery, the treasurer of state, in consultation with the commission, may invest moneys contained in the deferred prizes trust fund which represents proceeds from the statewide lottery in obligations of the type permitted for the investment of state funds but whose maturities are thirty years or less. Notwithstanding the requirements of any other section of the Revised Code, to provide all or part of the amounts necessary to fund deferred prizes awarded by the commission in connection with statewide joint lottery games, the treasurer of state, in consultation with the commission, may invest moneys in the trust fund which represent proceeds derived from the statewide joint lottery games in accordance with the rules the commission adopts under division (B)(5) of section 3770.03 of the Revised Code. Investments of the trust fund are not subject to the provisions of division (A)(10) of section 135.143 of the Revised Code limiting to twenty-five per cent the amount of the state's total average portfolio that may be invested in debt interests and limiting to one-half of one per cent the amount that may be invested in debt interests of a single issuer.

All purchases made under this division shall be effected on a delivery versus payment method and shall be in the custody of the treasurer of state.

The treasurer of state may retain an investment advisor, if necessary. The commission shall pay any costs incurred by the treasurer of state in retaining an investment advisor.

(D) The auditor of state shall conduct annual audits of all funds and any other audits as the auditor of state or the general assembly considers necessary. The auditor of state may examine all records, files, and other documents of the commission, and records of lottery sales agents that pertain to their activities as agents, for purposes of conducting authorized audits.

The state lottery commission shall establish an internal audit program before the beginning of each fiscal year, subject to the approval of the auditor of state. At the end of each fiscal year, the commission shall prepare and submit an annual report to the auditor of state for the auditor of state's review and approval, specifying the internal audit work completed by the end of that fiscal year and reporting on compliance with the annual internal audit program. The form and content of the report shall be prescribed by the auditor of state under division (C) of section 117.20 of the Revised Code.

(E) Whenever, in the judgment of the director of budget and management, an amount of net state lottery proceeds is necessary to be applied to the payment of debt service on obligations, all as defined in sections 151.01 and 151.03 of the Revised Code, the director shall transfer that amount directly from the state lottery fund or from the lottery profits education fund to the bond service fund defined in those sections. The provisions of this division are subject to any prior pledges or obligation of those amounts to the payment of bond service charges as defined in division (C) of section 3318.21 of the Revised Code, as referred to in division (B) of this section.

Sec. 3905.36. (A) Except as provided in divisions (B) and (C) of this section, every insured association, company, corporation, or other person that enters, directly or indirectly, into any agreements with any insurance company, association, individual, firm, underwriter, or Lloyd's, not authorized to do business in this state, whereby the insured shall procure, continue, or renew contracts of insurance covering subjects of insurance resident, located, or to be performed within this state, with such unauthorized insurance company, association, individual, firm, underwriter, or Lloyd's, for which insurance there is a gross premium, membership fee, assessment, dues, or other consideration charged or collected, shall annually, on or before the thirty-first day of January, return to the superintendent of

insurance a statement under oath showing the name and address of the insured, name and address of the insurer, subject of the insurance, general description of the coverage, and amount of gross premium, fee, assessment, dues, or other consideration for such insurance for the preceding twelve-month period and shall at the same time pay to the treasurer of state a tax of five per cent of such gross premium, fee, assessment, dues, or other consideration, after a deduction for return premium, if any, as calculated on a form prescribed by the treasurer of state. All taxes collected under this section by the treasurer of state shall be paid into the general revenue fund. If the tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. For purposes of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

(B) This section does not apply to:

(1) Transactions in this state involving a policy solicited, written, and delivered outside this state covering only subjects of insurance not resident, located, or to be performed in this state at the time of issuance, provided such transactions are subsequent to the issuance of the policy;

(2) Attorneys-at-law acting on behalf of their clients in the adjustment of claims or losses;

(3) Transactions involving policies issued by a captive insurer. For this purpose, a "captive insurer" means any of the following:

(a) An insurer owned by one or more individuals or organizations, whose exclusive purpose is to insure risks of one or more of the parent organizations or individual owners and risks of one or more affiliates of the parent organizations or individual owners;

(b) In the case of groups and associations, insurers owned by the group or association whose exclusive purpose is to insure risks of members of the group or association and affiliates of the members;

(c) Other types of insurers, licensed and operated in accordance with the captive insurance laws of their jurisdictions of domicile and operated in a manner so as to self-insure risks of their owners and insureds.

(4) Professional or medical liability insurance procured by a hospital organized under Chapter 3701. of the Revised Code ~~or on behalf of an entity that manufactures, packages, and sells, as more than fifty per cent of the entity's business, pharmaceutical products for human use where the~~

~~production, packaging, and sale of such products are subject to regulation by an agency of the United States;~~

(5) Insurance with an initial policy period of more than three years and that is procured to cover known events related to environmental remediation that occurred prior to the effective date of that insurance;

(6) Insurance procured on behalf of an entity that manufactures, packages, and sells, as more than fifty per cent of the entity's business, pharmaceutical products for human use where the production, packaging, and sale of such products are subject to regulation by an agency of the United States.

(C) In transactions that are subject to sections 3905.30 to 3905.35 of the Revised Code, each person licensed under section 3905.30 of the Revised Code shall pay to the treasurer of state, on or before the thirty-first day of January of each year, five per cent of the balance of the gross premiums charged for insurance placed or procured under the license after a deduction for return premiums, as reported on a form prescribed by the treasurer of state. The tax shall be collected from the insured by the surplus line broker who placed or procured the policy of insurance at the time the policy is delivered to the insured. No license issued under section 3905.30 of the Revised Code shall be renewed until payment is made. If the tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. For purposes of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

Sec. 3923.281. (A) As used in this section:

(1) "Biologically based mental illness" means schizophrenia, schizoaffective disorder, major depressive disorder, bipolar disorder, paranoia and other psychotic disorders, obsessive-compulsive disorder, and panic disorder, as these terms are defined in the most recent edition of the diagnostic and statistical manual of mental disorders published by the American psychiatric association.

(2) "Policy of sickness and accident insurance" has the same meaning as in section 3923.01 of the Revised Code, but excludes any hospital indemnity, medicare supplement, long-term care, disability income, one-time-limited-duration policy of not longer than six months, supplemental benefit, or other policy that provides coverage for specific

diseases or accidents only; any policy that provides coverage for workers' compensation claims compensable pursuant to Chapters 4121. and 4123. of the Revised Code; and any policy that provides coverage to beneficiaries enrolled in Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, known as the medical assistance program or medicaid, as provided by the Ohio department of job and family services under Chapter 5111. of the Revised Code.

(B) Notwithstanding section 3901.71 of the Revised Code, and subject to division (E) of this section, every ~~group~~ policy of sickness and accident insurance shall provide benefits for the diagnosis and treatment of biologically based mental illnesses on the same terms and conditions as, and shall provide benefits no less extensive than, those provided under the policy of sickness and accident insurance for the treatment and diagnosis of all other physical diseases and disorders, if both of the following apply:

(1) The biologically based mental illness is clinically diagnosed by a physician authorized under Chapter 4731. of the Revised Code to practice medicine and surgery or osteopathic medicine and surgery; a psychologist licensed under Chapter 4732. of the Revised Code; a professional clinical counselor, professional counselor, or independent social worker licensed under Chapter 4757. of the Revised Code; or a clinical nurse specialist licensed under Chapter 4723. of the Revised Code whose nursing specialty is mental health.

(2) The prescribed treatment is not experimental or investigational, having proven its clinical effectiveness in accordance with generally accepted medical standards.

(C) Division (B) of this section applies to all coverages and terms and conditions of the policy of sickness and accident insurance, including, but not limited to, coverage of inpatient hospital services, outpatient services, and medication; maximum lifetime benefits; copayments; and individual and family deductibles.

(D) Nothing in this section shall be construed as prohibiting a sickness and accident insurance company from taking any of the following actions:

(1) Negotiating separately with mental health care providers with regard to reimbursement rates and the delivery of health care services;

(2) Offering policies that provide benefits solely for the diagnosis and treatment of biologically based mental illnesses;

(3) Managing the provision of benefits for the diagnosis or treatment of biologically based mental illnesses through the use of pre-admission screening, by requiring beneficiaries to obtain authorization prior to treatment, or through the use of any other mechanism designed to limit

coverage to that treatment determined to be necessary;

(4) Enforcing the terms and conditions of a policy of sickness and accident insurance.

(E) An insurer that offers ~~a group~~ any policy of sickness and accident insurance is not required to provide benefits for the diagnosis and treatment of biologically based mental illnesses pursuant to division (B) of this section if all of the following apply:

(1) The insurer submits documentation certified by an independent member of the American academy of actuaries to the superintendent of insurance showing that incurred claims for diagnostic and treatment services for biologically based mental illnesses for a period of at least six months independently caused the insurer's costs for claims and administrative expenses for the coverage of all other physical diseases and disorders to increase by more than one per cent per year.

(2) The insurer submits a signed letter from an independent member of the American academy of actuaries to the superintendent of insurance opining that the increase described in division (E)(1) of this section could reasonably justify an increase of more than one per cent in the annual premiums or rates charged by the insurer for the coverage of all other physical diseases and disorders.

(3) The superintendent of insurance makes the following determinations from the documentation and opinion submitted pursuant to divisions (E)(1) and (2) of this section:

(a) Incurred claims for diagnostic and treatment services for biologically based mental illnesses for a period of at least six months independently caused the insurer's costs for claims and administrative expenses for the coverage of all other physical diseases and disorders to increase by more than one per cent per year.

(b) The increase in costs reasonably justifies an increase of more than one per cent in the annual premiums or rates charged by the insurer for the coverage of all other physical diseases and disorders.

Any determination made by the superintendent under this division is subject to Chapter 119. of the Revised Code.

Sec. 4112.12. (A) There is hereby created the commission on African-American males, which shall consist of not more than ~~forty-one~~ twenty-three members as follows: the directors or their designees of the departments of health, development, alcohol and drug addiction services, and job and family services, ~~rehabilitation and correction, mental health, and youth services~~; the ~~adjutant general or the adjutant general's designee~~; the equal employment opportunity officer of the department of administrative

services or the equal employment opportunity officer's designee; the executive director or the executive director's designee of the Ohio civil rights commission; the executive director or the executive director's designee of the division of criminal justice services in the department of public safety; the superintendent of public instruction; the chancellor or the chancellor's designee of the Ohio board of regents; two members of the house of representatives appointed by the speaker of the house of representatives each of whom shall be members of different political parties; ~~three and two~~ members of the senate appointed by the president of the senate; ~~and not more than twenty three members appointed by the governor~~ each of whom shall be members of different political parties. The members ~~appointed by the governor shall include an additional member of the governor's cabinet and at least one representative of each of the following:~~ the national association for the advancement of colored people; the urban league; an organization representing black elected officials; an organization representing black attorneys; the black religious community; the black business community; the nonminority business community; and organized labor; at least one black medical doctor, one black elected member of a school board, and one black educator; and at least two representatives of local private industry councils. The remaining members that may be appointed by the governor shall be selected from elected officials, civic and community leaders, and representatives of the employment, criminal justice, education, and health communities who are members of the general assembly shall be nonvoting members. The Ohio state university African American and African studies community extension center, in consultation with the governor, shall appoint two members from the private corporate sector, at least four members from the public sector, and two members from the nonprofit sector.

(B) Terms of office shall be for three years, ~~with each except that~~ members of the general assembly appointed to the commission shall be members only so long as they are members of the general assembly. Each term ending ends 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. 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's predecessor was appointed shall hold office as a member 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.

The commission annually shall elect a chairperson from among its members.

(C) Members of the commission and members of subcommittees appointed under division (B) of section 4112.13 of the Revised Code shall not be compensated, but shall be reimbursed for their necessary and actual expenses incurred in the performance of their official duties.

~~(D)(1) The Ohio civil rights commission shall serve as the commission on African-American males' fiscal agent and shall perform all of the following services:~~

~~(a) Prepare and process payroll and other personnel documents that the commission on African-American males approves;~~

~~(b) Maintain ledgers of accounts and reports of account balances, and monitor budgets and allotment plans in consultation with the commission on African-American males;~~

~~(c) Perform other routine support services that the executive director of the Ohio civil rights commission or the executive director's designee and the Commission on African-American males or its designee consider appropriate to achieve efficiency.~~

~~(2) The Ohio civil rights commission shall not approve any payroll or other personnel-related documents or any biennial budget, grant, expenditure, audit, or fiscal-related document without the advice and consent of the commission on African-American males.~~

~~(3) The Ohio civil rights commission shall determine fees to be charged to the commission on African-American males for services performed under this division, which shall be in proportion to the services performed for the commission on African-American males.~~

~~(4) The commission on African-American males or its designee has:~~

~~(a) Sole authority to draw funds for any federal program in which the commission is authorized to participate;~~

~~(b) Sole authority to expend funds from accounts for programs and any other necessary expenses the commission on African-American males may incur;~~

~~(c) The duty to cooperate with the Ohio civil rights commission to ensure that the Ohio civil rights commission is fully apprised of all financial transactions.~~

~~(E) The Ohio state university African American and African studies community extension center, in consultation with the governor, shall appoint an executive director of the commission on African-American males shall appoint an executive director, who shall be in the unclassified civil service.~~

The executive director shall supervise the commission's activities and report to the commission and to the Ohio state university African American and African studies community extension center on the progress of those activities. The executive director shall do all things necessary for the efficient and effective implementation of the duties of the commission.

The responsibilities assigned to the executive director do not relieve the members of the commission from final responsibility for the proper performance of the requirements of this division.

~~(F)~~(E) The commission on African-American males shall do all of the following:

(1) Employ, promote, supervise, and remove all employees, as needed, in connection with the performance of its duties under this section;

(2) Maintain its office in Columbus;

(3) Acquire facilities, equipment, and supplies necessary to house the commission, its employees, and files and records under its control, and to discharge any duty imposed upon it by law. The expense of these acquisitions shall be audited and paid for in the same manner as other state expenses.

~~(4) Prepare and submit to the office of budget and management a budget for each biennium in accordance with sections 101.55 and 107.03 of the Revised Code. The budget submitted shall cover the costs of the commission and its staff in the discharge of any duty imposed upon the commission by law. The commission shall pay its own payroll and other operating expenses from appropriation items designated by the general assembly. The commission shall not delegate any authority to obligate funds.~~

~~(5)~~ Establish the overall policy and management of the commission in accordance with this chapter;

~~(6)~~(5) Follow all state procurement requirements;

~~(7) Pay fees owed to the Ohio civil rights commission under division (D) of this section from the commission on African American males' general revenue fund or from any other fund from which the operating expenses of the commission on African American males are paid. Any amounts set aside for a fiscal year for the payment of such fees shall be used only for the services performed for the commission on African American males by the Ohio civil rights commission in that fiscal year~~ (6) Implement the policies and plans of the Ohio state university African American and African studies community extension center as those policies and plans are formulated and adopted by the Ohio state university African American and African studies community extension center;

(7) Report to the Ohio state university African American and African studies community extension center on the progress of the commission on African-American males in implementing the policies and plans of the Ohio state university African American and African studies community extension center.

~~(G)~~(F) The commission on African-American males may:

(1) Hold sessions at any place within the state, except that the commission on African-American males shall meet at least quarterly;

(2) Establish, change, or abolish positions, and assign and reassign duties and responsibilities of any employee of the commission on African-American males as necessary to achieve the most efficient performance of its functions.

(G) The Ohio state university African American and African studies community extension center shall establish the overall policy and management of the commission on African-American males and shall direct, manage, and oversee the commission. The Ohio state university African American and African studies community extension center shall develop overall policies and plans, and the commission on African-American males shall implement those policies and plans. The commission on African-American males, through its executive director, shall keep the Ohio state university African American and African studies community extension center informed as to the activities of the commission on African-American males in such manner and at such times as the Ohio state university African American and African studies community extension center shall determine.

The Ohio state university African American and African studies community extension center may prescribe duties and responsibilities of the commission on African-American males in addition to those prescribed in section 4112.13 of the Revised Code.

(H) The Ohio state university African American and African studies community extension center annually shall contract for a report on the status of African-Americans in this state. Issues to be evaluated in the report shall include the criminal justice system, education, employment, health care, and housing, and such other issues as the Ohio state university African American and African studies community extension center may specify. The report shall include policy recommendations relating to the issues covered in the report.

Sec. 4112.13. (A) ~~The~~ In addition to any duties and responsibilities that the Ohio state university African American and African studies community extension center may prescribe for the commission on African-American

males under section 4112.12 of the Revised Code, the commission on African-American males shall do all of the following:

(1) Oversee and supervise four separate and distinct subcommittees devoted to solving problems and advancing recommendations exclusively pertinent to black males in the areas of unemployment, criminal justice, education, and health;

(2) Conduct research to determine the nature and extent of the problems concerning black males in the four areas targeted in division (A)(1) of this section;

(3) Hold public hearings for the purpose of collecting data;

(4) Identify existing federal, state, and local programs that address problems and solutions relevant to the four targeted areas of study;

(5) Implement appropriate new programs and demonstration projects especially designed for black males;

(6) Develop and implement community education and public awareness programs especially designed for black males;

(7) Develop strategies to improve the social condition of black males;

(8) Report to the governor, the general assembly, the auditor of state, the secretary of state, the attorney general, and the chief justice of the Ohio supreme court at least biennially on the activities, findings, and recommendations of the commission;

(9) Accept gifts, grants, donations, contributions, benefits, and other funds from any public agency or private source to carry out any or all of the commission's powers or duties. Such funds shall be deposited in the commission on African-American males fund, which is hereby created in the state treasury. All gifts, grants, donations, contributions, benefits, and other funds received by the commission under division (A)(9) of this section, when appropriated to the commission, shall be used solely to support the operations of the commission.

(B) The ~~chairman~~ chairperson of the commission may appoint any number of individuals to serve on the subcommittees created in division (A)(1) of this section. Members of subcommittees serve at the discretion of the ~~chairman~~ chairperson.

Sec. 4117.06. (A) The state employment relations board shall decide in each case the unit appropriate for the purposes of collective bargaining. The determination is final and conclusive and not appealable to the court.

(B) The board shall determine the appropriateness of each bargaining unit and shall consider among other relevant factors: the desires of the employees; the community of interest; wages, hours, and other working conditions of the public employees; the effect of over-fragmentation; the

efficiency of operations of the public employer; the administrative structure of the public employer; and the history of collective bargaining.

(C) The board may determine a unit to be the appropriate unit in a particular case, even though some other unit might also be appropriate.

(D) In addition, in determining the appropriate unit, the board shall not:

(1) Decide that any unit is appropriate if the unit includes both professional and nonprofessional employees, unless a majority of the professional employees and a majority of the nonprofessional employees first vote for inclusion in the unit;

(2) Include guards or correction officers at correctional or mental institutions, special police officers appointed in accordance with sections 5119.14 and 5123.13 of the Revised Code, psychiatric attendants employed at mental health forensic facilities, youth leaders employed at juvenile correction facilities, or any public employee employed as a guard to enforce against other employees rules to protect property of the employer or to protect the safety of persons on the employer's premises in a unit with other employees;

(3) Include members of a police or fire department or members of the state highway patrol in a unit with other classifications of public employees of the department;

(4) Designate as appropriate a bargaining unit that contains more than one institution of higher education; nor shall it within any such institution of higher education designate as appropriate a unit where such designation would be inconsistent with the accreditation standards or interpretations of such standards, governing such institution of higher education or any department, school, or college thereof. For the purposes of this division, any branch or regional campus of a public institution of higher education is part of that institution of higher education.

(5) Designate as appropriate a bargaining unit that contains employees within the jurisdiction of more than one elected county office holder, unless the county-elected office holder and the board of county commissioners agree to such other designation;

(6) With respect to members of a police department, designate as appropriate a unit that includes rank and file members of the department with members who are of the rank of sergeant or above;

(7) Except as otherwise provided by division (A)(3) of section 3314.10 or division (B) of section 3326.18 of the Revised Code, designate as appropriate a bargaining unit that contains employees from multiple community schools established under Chapter 3314. or multiple science, technology, engineering, and mathematics schools established under

Chapter 3326 of the Revised Code. For purposes of this division, more than one unit may be designated within a single community school or science, technology, engineering, and mathematics school.

This section shall not be deemed to prohibit multiunit bargaining.

Sec. 4141.09. (A) There is hereby created an unemployment compensation fund to be administered by the state without liability on the part of the state beyond the amounts paid into the fund and earned by the fund. The unemployment compensation fund shall consist of all contributions, payments in lieu of contributions described in sections 4141.241 and 4141.242 of the Revised Code, reimbursements of the federal share of extended benefits described in section 4141.301 of the Revised Code, collected under sections 4141.01 to 4141.46 of the Revised Code, together with all interest earned upon any moneys deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the "Social Security Act," any property or securities acquired through the use of moneys belonging to the fund, and all earnings of such property or securities. The unemployment compensation fund shall be used to pay benefits and refunds as provided by such sections and for no other purpose.

(B) The treasurer of state shall be the custodian of the unemployment compensation fund and shall administer such fund in accordance with the directions of the director of job and family services. All disbursements therefrom shall be paid by the treasurer of state on warrants drawn by the director. Such warrants may bear the facsimile signature of the director printed thereon and that of a deputy or other employee of the director charged with the duty of keeping the account of the unemployment compensation fund and with the preparation of warrants for the payment of benefits to the persons entitled thereto. Moneys in the clearing and benefit accounts shall not be commingled with other state funds, except as provided in division (C) of this section, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured by the depository bank to the same extent and in the same manner as required by sections 135.01 to 135.21 of the Revised Code; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of this state. All sums recovered for losses sustained by the unemployment compensation fund shall be deposited therein. The treasurer of state shall be liable on the treasurer's official bond for the faithful performance of the treasurer's duties in connection with the unemployment compensation fund, such liability to exist in addition to any

liability upon any separate bond.

(C) The treasurer of state shall maintain within the unemployment compensation fund three separate accounts which shall be a clearing account, ~~an unemployment~~ a trust fund account, and a benefit account. All moneys payable to the unemployment compensation fund, upon receipt ~~thereof~~ by the director, shall be forwarded to the treasurer of state, who shall immediately deposit them in the clearing account. Refunds of contributions, or payments in lieu of contributions, payable pursuant to division (E) of this section may be paid from the clearing account upon warrants signed by a deputy or other employee of the director charged with the duty of keeping the record of the clearing account and with the preparation of warrants for the payment of refunds to persons entitled thereto. After clearance thereof, all moneys in the clearing account shall be deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the "Social Security Act," in accordance with requirements of the "Federal Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301, 3304(a)(3), any law in this state relating to the deposit, administration, release, or disbursement of moneys in the possession or custody of this state to the contrary notwithstanding. The benefit account shall consist of all moneys requisitioned from this state's account in the unemployment trust fund. ~~Federal funds, other than funds received by the director under divisions (I) and (J) of this section, received for payment of federal benefits~~ may be deposited, at the director's discretion, into the benefit account. Any funds deposited into the benefit account shall be disbursed solely for payment of benefits under a federal program administered by this state. ~~Moneys so requisitioned shall be used solely for the payment of benefits and for no other purpose.~~ Moneys in the clearing and benefit accounts may be deposited by the treasurer of state, under the direction of the director, in any bank or public depository in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund.

(D) Moneys shall be requisitioned from this state's account in the unemployment trust fund solely for the payment of benefits and in accordance with regulations prescribed by the director. The director shall requisition from the unemployment trust fund such amounts, not exceeding the amount standing to this state's account therein, as are deemed necessary for the payment of benefits for a reasonable future period. Upon receipt thereof, the treasurer of state shall deposit such moneys in the benefit account. Expenditures of such money in the benefit account and refunds

from the clearing account shall not require specific appropriations or other formal release by state officers of money in their custody. Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for and may be utilized for the payment of benefits during succeeding periods, or, in the discretion of the director, shall be redeposited with the secretary of the treasury of the United States to the credit of this state's account in the unemployment trust fund, as provided in division (C) of this section. Unclaimed or unpaid federal funds redeposited with the secretary of the treasury of the United States shall be credited to the appropriate federal account.

(E) No claim for an adjustment or a refund on contribution, payment in lieu of contributions, interest, or forfeiture alleged to have been erroneously or illegally assessed or collected, or alleged to have been collected without authority, and no claim for an adjustment or a refund of any sum alleged to have been excessive or in any manner wrongfully collected shall be allowed unless an application, in writing, therefor is made within four years from the date on which such payment was made. If the director determines that such contribution, payment in lieu of contributions, interest, or forfeiture, or any portion thereof, was erroneously collected, the director shall allow such employer to make an adjustment thereof without interest in connection with subsequent contribution payments, or payments in lieu of contributions, by the employer, or the director may refund said amount, without interest, from the clearing account of the unemployment compensation fund, except as provided in division (B) of section 4141.11 of the Revised Code. For like cause and within the same period, adjustment or refund may be so made on the director's own initiative. An overpayment of contribution, payment in lieu of contributions, interest, or forfeiture for which an employer has not made application for refund prior to the date of sale of the employer's business shall accrue to the employer's successor in interest.

An application for an adjustment or a refund, or any portion thereof, that is rejected is binding upon the employer unless, within thirty days after the mailing of a written notice of rejection to the employer's last known address, or, in the absence of mailing of such notice, within thirty days after the delivery of such notice, the employer files an application for a review and redetermination setting forth the reasons therefor. The director shall promptly examine the application for review and redetermination, and if a review is granted, the employer shall be promptly notified thereof, and shall be granted an opportunity for a prompt hearing.

(F) If the director finds that contributions have been paid to the director in error, and that such contributions should have been paid to a department of another state or of the United States charged with the administration of an unemployment compensation law, the director may upon request by such department or upon the director's own initiative transfer to such department the amount of such contributions, less any benefits paid to claimants whose wages were the basis for such contributions. The director may request and receive from such department any contributions or adjusted contributions paid in error to such department which should have been paid to the director.

(G) In accordance with section 303(c)(3) of the Social Security Act, and section 3304(a)(17) of the Internal Revenue Code of 1954 for continuing certification of Ohio unemployment compensation laws for administrative grants and for tax credits, any interest required to be paid on advances under Title XII of the Social Security Act shall be paid in a timely manner and shall not be paid, directly or indirectly, by an equivalent reduction in the Ohio unemployment taxes or otherwise, by the state from amounts in the unemployment compensation fund.

(H) The treasurer of state, under the direction of the director and in accordance with the "Cash Management Improvement Act of 1990," 104 Stat. 1061, 31 U.S.C.A. 335, 6503, shall deposit amounts of interest earned by the state on funds in the benefit account established pursuant to division (C) of this section into the department of job and family services banking fees fund, which is hereby created in the state treasury for the purpose of paying related banking costs incurred by the state for the period for which the interest is calculated, except that if the deposited interest exceeds the banking costs incurred by the state for the period for which the interest is calculated, the treasurer of state shall deposit the excess interest into the unemployment trust fund.

~~(I) The treasurer of state, under the direction of the director, shall deposit federal funds received by the director for the payment of benefits, job search, relocation, transportation, and subsistence allowances pursuant to the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2101, as amended; the "North American Free Trade Implementation Act of 1993," 107 Stat. 2057, 19 U.S.C.A. 3301, as amended; and the "Trade Act of 2002," 116 Stat. 993, 19 U.S.C.A. 3801, as amended, into the Trade Act benefit account, which is hereby created for the purpose of making payments specified under those acts.~~

(J) The treasurer of state, under the direction of the director, shall deposit federal funds received by the director for training and administration

and for payment of benefits, job search, relocation, transportation, and subsistence allowances pursuant to the "Trade Act of 1974," 88 Stat. 1978, 19 U.S.C.A. 2101, as amended; the "North American Free Trade Agreement Implementation Act," 107 Stat. 2057 (1993), 19 U.S.C.A. 3301, as amended; and the "Trade Act of 2002," 116 Stat. 993, 19 U.S.C.A. 3801, as amended, into the Trade Act training and administration account, which is hereby created for the purpose of making payments specified under those acts. The treasurer of state, under the direction of the director, may transfer funds from the Trade Act training and administration account to the benefit account for the purpose of making any payments directly to claimants for benefits, job search, relocation, transportation, and subsistence allowances, as specified by those acts.

Sec. 4301.20. This chapter and Chapter 4303. of the Revised Code do not prevent the following:

(A) The storage of intoxicating liquor in bonded warehouses, established in accordance with the acts of congress and under the regulation of the United States, located in this state, or the transportation of intoxicating liquor to or from bonded warehouses of the United States wherever located;

(B) A bona fide resident of this state who is the owner of a warehouse receipt from obtaining or transporting to the resident's residence for the resident's own consumption and not for resale spirituous liquor stored in a government bonded warehouse in this state or in another state prior to December 1933, subject to such terms as are prescribed by the division of liquor control;

(C) The manufacture of cider from fruit for the purpose of making vinegar, and nonintoxicating cider and fruit juices for use and sale;

(D) A licensed physician or dentist from administering or dispensing intoxicating liquor or alcohol to a patient in good faith in the actual course of the practice of the physician's or dentist's profession;

(E) The sale of alcohol to physicians, dentists, druggists, veterinary surgeons, manufacturers, hospitals, infirmaries, or medical or educational institutions using the alcohol for medicinal, mechanical, chemical, or scientific purposes;

(F) The sale, gift, or keeping for sale by druggists and others of any of the medicinal preparations manufactured in accordance with the formulas prescribed by the United States Pharmacopoeia and National Formulary, patent or proprietary preparations, and other bona fide medicinal and technical preparations, which contain no more alcohol than is necessary to hold the medicinal agents in solution and to preserve the same, which are

manufactured and sold as medicine and not as beverages, are unfit for use for beverage purposes, and the sale of which does not require the payment of a United States liquor dealer's tax;

(G) The manufacture and sale of tinctures or of toilet, medicinal, and antiseptic preparations and solutions not intended for internal human use nor to be sold as beverages, and which are unfit for beverage purposes, if upon the outside of each bottle, box, or package of which there is printed in the English language, conspicuously and legibly, the quantity by volume of alcohol in the preparation or solution;

(H) The manufacture and keeping for sale of the food products known as flavoring extracts when manufactured and sold for cooking, culinary, or flavoring purposes, and which are unfit for use for beverage purposes;

(I) The lawful sale of wood alcohol or of ethyl alcohol for external use when combined with other substances as to make it unfit for internal use;

(J) The manufacture, sale, and transport of ethanol or ethyl alcohol for use as fuel. As used in this division, "ethanol" has the same meaning as in section 5733.46 of the Revised Code.

(K) The purchase and importation into this state of intoxicating liquor for use in manufacturing processes of nonbeverage food products under terms prescribed by the division, provided that the terms prescribed by the division shall not increase the cost of the intoxicating liquor to any person, firm, or corporation purchasing and importing it into this state for that use;

~~(K)~~(L) Any resident of this state or any member of the armed forces of the United States, who has attained the age of twenty-one years, from bringing into this state, for personal use and not for resale, not more than one liter of spirituous liquor in any thirty-day period, and the same is free of any tax consent fee when the resident or member of the armed forces physically possesses and accompanies the spirituous liquor on returning from a foreign country, another state, or an insular possession of the United States;

~~(L)~~(M) Persons, at least twenty-one years of age, who collect ceramic commemorative bottles containing spirituous liquor ~~which~~ that have unbroken federal tax stamps on them from selling or trading the bottles to other collectors. The bottles ~~must~~ shall originally have been purchased at retail from the division, legally imported under division ~~(K)~~(L) of this section, or legally imported pursuant to a supplier registration issued by the division. The sales shall be for the purpose of exchanging a ceramic commemorative bottle between private collectors and shall not be for the purpose of selling the spirituous liquor for personal consumption. The sale or exchange authorized by this division shall not occur on the premises of

any permit holder, shall not be made in connection with the business of any permit holder, and shall not be made in connection with any mercantile business.

Sec. 4301.24. Except as provided in section 4301.242 of the Revised Code, no manufacturer shall aid or assist the holder of any permit for sale at wholesale, and no manufacturer or wholesale distributor shall aid or assist the holder of any permit for sale at retail, by gift or loan of any money or property of any description or other valuable thing, or by giving premiums or rebates. Except as provided in section 4301.242 of the Revised Code, no holder of any such permit shall accept the same, provided that the manufacturer or wholesale distributor may furnish to a retail permittee the inside signs or advertising and the tap signs or devices authorized by divisions (E) and (F) of section 4301.22 of the Revised Code.

No manufacturer shall have any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion in the business of any wholesale distributor. No retail permit holder shall have any interest, directly or indirectly, in the operation of, or any ownership in, the business of any wholesale distributor or manufacturer.

No manufacturer shall, except as authorized by section 4303.021 of the Revised Code, have any financial interest, directly or indirectly, by stock ownership, or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business of any retail dealer. No wholesale distributor or employee of a wholesale distributor shall have any financial interest, directly or indirectly, by stock ownership, interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business of any retail dealer. No manufacturer or wholesale distributor or any stockholder of a manufacturer or wholesale distributor shall acquire, by ownership in fee, leasehold, mortgage, or otherwise, directly or indirectly, any interest in the premises on which the business of any other person engaged in the business of trafficking in beer or intoxicating liquor is conducted. All contracts, covenants, conditions, and limitations whereby any person engaged or proposing to engage in the sale of beer or intoxicating liquors promises to confine the person's sales of a particular kind or quality of beer or intoxicating liquor to one or more products, or the products of a specified manufacturer or wholesale distributor, or to give preference to those products, shall to the extent of that promise be void. The making of a promise in any such form shall be cause for the revocation or suspension of any permit issued to any party. This section does not prevent the holder of

an A permit from securing and holding a wholesale distributor's permit or permits and operating as a wholesale distributor.

No manufacturer shall sell or offer to sell to any wholesale distributor or retail permit holder, no wholesale distributor shall sell or offer to sell to any retail permit holder, and no wholesale distributor or retail permit holder shall purchase or receive from any manufacturer or wholesale distributor, any beer, brewed beverages, or wine manufactured in the United States except for cash. No right of action shall exist to collect any claims for credit extended contrary to this section. This section does not prohibit a licensee from crediting to a purchaser the actual prices charged for packages or containers returned by the original purchaser as a credit on any sale or from refunding to any purchaser the amount paid by that purchaser for containers or as a deposit on containers when title is retained by the vendor, if those containers or packages have been returned to the manufacturer or distributor. This section does not prohibit a manufacturer from extending usual and customary credit for beer, brewed beverages, or wine manufactured in the United States and sold to customers who live or maintain places of business outside this state when the beverages so sold are actually transported and delivered to points outside this state. No wholesale or retail permit shall be issued to an applicant unless the applicant has paid in full all accounts for beer or wine, manufactured in the United States, outstanding as of September 6, 1939. No beer or wine manufactured in the United States shall be imported into the state unless the beer or wine has been paid for in cash, and no supplier registration for any such beer or wine manufactured in the United States shall be issued by the division of liquor control until the A-2, B-1, or B-5 permit holder establishes to the satisfaction of the division that the beer or wine has been paid for in cash.

This section does not prevent a manufacturer from securing and holding any financial interest, directly or indirectly, by stock ownership or through interlocking directors in a corporation, or otherwise, in the establishment, maintenance, or promotion of the business or premises of any C or D permit holder, provided that the following conditions are met:

(A) Either the manufacturer or one of its parent companies is listed on a national securities exchange.

(B) All purchases of alcoholic beverages by the C or D permit holder are made from wholesale distributors in this state or agency stores licensed by the division of liquor control.

(C) If the C or D permit holder sells brands of alcoholic beverages that are produced or distributed by the manufacturer that holds the financial interest, the C or D permit holder also sells other competing brands of

alcoholic beverages produced by other manufacturers, no preference is given to the products of the manufacturer, and there is no exclusion, in whole or in part, of products sold or offered for sale by other manufacturers, suppliers, or importers of alcoholic beverages that constitutes a substantial impairment of commerce.

(D) The primary purpose of the C or D permit premises is a purpose other than to sell alcoholic beverages, and the sale of other goods and services exceeds fifty per cent of the total gross receipts of the C or D permit holder at its premises.

This section does not prevent a manufacturer from giving financial assistance to the holder of a B permit for the purpose of the holder purchasing an ownership interest in the business, existing inventory and equipment, or property of another B permit holder, including, but not limited to, participation in a limited liability partnership, limited liability company, or any other legal entity authorized to do business in this state. This section does not permit a manufacturer to give financial assistance to the holder of a B permit to purchase inventory or equipment used in the daily operation of a B permit holder.

This section does not prevent a manufacturer from securing and holding a B-2a permit or permits and operating as a wholesale distributor.

Sec. 4301.43. (A) As used in sections 4301.43 to 4301.50 of the Revised Code:

(1) "Gallon" or "wine gallon" means one hundred twenty-eight fluid ounces.

(2) "Sale" or "sell" includes exchange, barter, gift, distribution, and, except with respect to A-4 permit holders, offer for sale.

(B) For the purposes of providing revenues for the support of the state and encouraging the grape industries in the state, a tax is hereby levied on the sale or distribution of wine in Ohio, except for known sacramental purposes, at the rate of thirty cents per wine gallon for wine containing not less than four per cent of alcohol by volume and not more than fourteen per cent of alcohol by volume, ninety-eight cents per wine gallon for wine containing more than fourteen per cent but not more than twenty-one per cent of alcohol by volume, one dollar and eight cents per wine gallon for vermouth, and one dollar and forty-eight cents per wine gallon for sparkling and carbonated wine and champagne, the tax to be paid by the holders of A-2 and B-5 permits or by any other person selling or distributing wine upon which no tax has been paid. From the tax paid under this section on wine, vermouth, and sparkling and carbonated wine and champagne, the treasurer of state shall credit to the Ohio grape industries fund created under

section 924.54 of the Revised Code a sum equal to one cent per gallon for each gallon upon which the tax is paid.

(C) For the purpose of providing revenues for the support of the state, there is hereby levied a tax on prepared and bottled highballs, cocktails, cordials, and other mixed beverages at the rate of one dollar and twenty cents per wine gallon to be paid by holders of A-4 permits or by any other person selling or distributing those products upon which no tax has been paid. Only one sale of the same article shall be used in computing the amount of tax due. The tax on mixed beverages to be paid by holders of A-4 permits under this section shall not attach until the ownership of the mixed beverage is transferred for valuable consideration to a wholesaler or retailer, and no payment of the tax shall be required prior to that time.

(D) During the period of July 1, ~~2005~~ 2007, through June 30, ~~2007~~ 2009, from the tax paid under this section on wine, vermouth, and sparkling and carbonated wine and champagne, the treasurer of state shall credit to the Ohio grape industries fund created under section 924.54 of the Revised Code a sum equal to two cents per gallon upon which the tax is paid. The amount credited under this division is in addition to the amount credited to the Ohio grape industries fund under division (B) of this section.

(E) For the purpose of providing revenues for the support of the state, there is hereby levied a tax on cider at the rate of twenty-four cents per wine gallon to be paid by the holders of A-2 and B-5 permits or by any other person selling or distributing cider upon which no tax has been paid. Only one sale of the same article shall be used in computing the amount of the tax due.

Sec. 4303.03. Permit A-2 may be issued to a manufacturer to manufacture wine from grapes or other fruits; to import and purchase wine in bond for blending purposes, the total amount of wine so imported during the year covered by the permit not to exceed forty per cent of all the wine manufactured and imported; to manufacture, purchase, and import brandy for fortifying purposes; and to sell those products either in glass or container for consumption on the premises where manufactured, ~~for home use, in sealed containers for consumption off the premises where manufactured,~~ and to ~~retail and~~ wholesale permit holders under the rules adopted by the division of liquor control.

The fee for this permit is ~~one hundred twenty-six~~ seventy-six dollars for each plant to which this permit is issued.

Sec. 4303.071. (A)(1) Except as otherwise provided in division (A)(2) of this section, permit B-2a may be issued to a person that manufactures wine, is the brand owner or United States importer of wine, or is the

designated agent of a brand owner or importer for all wine sold in this state for that owner or importer. If the person resides outside this state, the person shall comply with the requirements governing the issuance of licenses or permits that authorize the sale of intoxicating liquor by the appropriate authority of the state in which the person resides or by the tax and trade bureau in the United States department of the treasury.

(2) A B-2a permit shall only be issued to a manufacturer of wine that is entitled to a tax credit under 27 C.F.R. 24.278 and that produces less than one hundred fifty thousand gallons of wine per year.

(3) The fee for the B-2a permit is twenty-five dollars.

(4) The holder of a B-2a permit may sell wine to a retail permit holder, but a B-2a permit holder that is a wine manufacturer may sell to a retail permit holder only wine that the B-2a permit holder has manufactured.

(5) The holder of a B-2a permit shall renew the permit in accordance with section 4303.271 of the Revised Code, except that renewal shall not be subject to the notice and hearing requirements established in division (B) of that section.

(B) The holder of a B-2a permit shall collect and pay all applicable taxes relating to the delivery of a wine to a retailer including, but not limited to, taxes levied under sections 4301.421 and 4301.43 and Chapters 5739. and 5741. of the Revised Code.

(C) The holder of a B-2a permit shall comply with this chapter, Chapter 4301. of the Revised Code, and any rules adopted by the liquor control commission under section 4301.03 of the Revised Code.

Sec. 4303.232. (A)(1) Except as provided in division (A)(2) of this section, permit S may be issued to a person that manufactures wine, is the brand owner or United States importer of wine, or is the designated agent of a brand owner or importer for all wine sold in this state for that owner or importer. If the person resides outside this state, the person shall comply with the requirements governing the issuance of licenses or permits that authorize the sale of intoxicating liquor by the appropriate authority of the state in which the person resides or by the tax and trade bureau of the United States department of the treasury.

(2) An S permit shall only be issued to a manufacturer of wine that is entitled to a tax credit under 27 C.F.R. 24.278 and that produces less than one hundred fifty thousand gallons of wine per year.

(3) The fee for the S permit is twenty-five dollars.

(4) The holder of an S permit may sell wine to a personal consumer by receiving and filling orders that the personal consumer submits to the permit holder. The permit holder shall sell only wine that the permit holder has

manufactured to a personal consumer.

(5) The holder of an S permit shall renew the permit in accordance with section 4303.271 of the Revised Code, except that the renewal shall not be subject to the notice and hearing requirements established in division (B) of that section.

(6) The division of liquor control may refuse to renew an S permit for any of the reasons specified in section 4303.292 of the Revised Code or if the holder of the permit fails to do any of the following:

(a) Collect and pay all applicable taxes specified in division (B) of this section;

(b) Pay the permit fee;

(c) Comply with this section or any rules adopted by the liquor control commission under section 4301.03 of the Revised Code.

(B) The holder of an S permit shall collect and pay all applicable taxes relating to the delivery of wine to a personal consumer, including, but not limited to, taxes levied under sections 4301.421 and 4301.43 and Chapters 5739. and 5741. of the Revised Code.

(C)(1) The holder of an S permit shall send a shipment of wine that has been paid for by a personal consumer to that personal consumer via the holder of an H permit. Prior to sending a shipment of wine to a personal consumer, the holder of an S permit, or an employee of the permit holder, shall make a bona fide effort to ensure that the personal consumer is at least twenty-one years of age. The shipment of wine shall be shipped in a package that clearly has written on it in bold print the words "alcohol enclosed." No person shall fail to comply with division (C)(1) of this section.

(2) Upon delivering a shipment of wine to a personal consumer, the holder of the H permit, or an employee of the permit holder, shall verify that the personal consumer is at least twenty-one years of age by checking the personal consumer's driver's or commercial driver's license or identification card issued under sections 4507.50 to 4507.52 of the Revised Code.

(3) The holder of an S permit shall keep a record of each shipment of wine that the permit holder sends to a personal consumer. The records shall be used for all of the following:

(a) To provide a copy of each wine shipment invoice to the tax commissioner in a manner prescribed by the commissioner. The invoice shall include the name of each personal consumer that purchased wine from the S permit holder in accordance with this section and any other information required by the tax commissioner.

(b) To provide annually in electronic format by electronic means a

report to the division. The report shall include the name and address of each personal consumer that purchased wine from the S permit holder in accordance with this section, the quantity of wine purchased by each personal consumer, and any other information requested by the division. The division shall prescribe and provide an electronic form for the report and shall determine the specific electronic means that the S permit holder must use to submit the report.

(c) To notify a personal consumer of any health or welfare recalls of the wine that has been purchased by the personal consumer.

(D) As used in this section, "personal consumer" means an individual who is at least twenty-one years of age, is a resident of this state, does not hold a permit issued under this chapter, and intends to use wine purchased in accordance with this section for personal consumption only and not for resale or other commercial purposes.

Sec. 4303.233. No family household shall purchase more than twenty-four cases of nine-liter bottles of wine in one year.

Sec. 4503.06. (A) The owner of each manufactured or mobile home that has acquired situs in this state shall pay either a real property tax pursuant to Title LVII of the Revised Code or a manufactured home tax pursuant to division (C) of this section.

(B) The owner of a manufactured or mobile home shall pay real property taxes if either of the following applies:

(1) The manufactured or mobile home acquired situs in the state or ownership in the home was transferred on or after January 1, 2000, and all of the following apply:

(a) The home is affixed to a permanent foundation as defined in division (C)(5) of section 3781.06 of the Revised Code.

(b) The home is located on land that is owned by the owner of the home.

(c) The certificate of title has been inactivated by the clerk of the court of common pleas that issued it, pursuant to division (H) of section 4505.11 of the Revised Code.

(2) The manufactured or mobile home acquired situs in the state or ownership in the home was transferred before January 1, 2000, and all of the following apply:

(a) The home is affixed to a permanent foundation as defined in division (C)(5) of section 3781.06 of the Revised Code.

(b) The home is located on land that is owned by the owner of the home.

(c) The owner of the home has elected to have the home taxed as real property and, pursuant to section 4505.11 of the Revised Code, has surrendered the certificate of title to the auditor of the county containing the

taxing district in which the home has its situs, together with proof that all taxes have been paid.

(d) The county auditor has placed the home on the real property tax list and delivered the certificate of title to the clerk of the court of common pleas that issued it and the clerk has inactivated the certificate.

(C)(1) Any mobile or manufactured home that is not taxed as real property as provided in division (B) of this section is subject to an annual manufactured home tax, payable by the owner, for locating the home in this state. The tax as levied in this section is for the purpose of supplementing the general revenue funds of the local subdivisions in which the home has its situs pursuant to this section.

(2) The year for which the manufactured home tax is levied commences on the first day of January and ends on the following thirty-first day of December. The state shall have the first lien on any manufactured or mobile home on the list for the amount of taxes, penalties, and interest charged against the owner of the home under this section. The lien of the state for the tax for a year shall attach on the first day of January to a home that has acquired situs on that date. The lien for a home that has not acquired situs on the first day of January, but that acquires situs during the year, shall attach on the next first day of January. The lien shall continue until the tax, including any penalty or interest, is paid.

(3)(a) The situs of a manufactured or mobile home located in this state on the first day of January is the local taxing district in which the home is located on that date.

(b) The situs of a manufactured or mobile home not located in this state on the first day of January, but located in this state subsequent to that date, is the local taxing district in which the home is located thirty days after it is acquired or first enters this state.

(4) The tax is collected by and paid to the county treasurer of the county containing the taxing district in which the home has its situs.

(D) The manufactured home tax shall be computed and assessed by the county auditor of the county containing the taxing district in which the home has its situs as follows:

(1) On a home that acquired situs in this state prior to January 1, 2000:

(a) By multiplying the assessable value of the home by the tax rate of the taxing district in which the home has its situs, and deducting from the product thus obtained any reduction authorized under section 4503.065 of the Revised Code. The tax levied under this formula shall not be less than thirty-six dollars, unless the home qualifies for a reduction in assessable value under section 4503.065 of the Revised Code, in which case there shall

be no minimum tax and the tax shall be the amount calculated under this division.

(b) The assessable value of the home shall be forty per cent of the amount arrived at by the following computation:

(i) If the cost to the owner, or market value at time of purchase, whichever is greater, of the home includes the furnishings and equipment, such cost or market value shall be multiplied according to the following schedule:

For the first calendar year in which the home is owned by the current owner	x	80%
2nd calendar year	x	75%
3rd "	x	70%
4th "	x	65%
5th "	x	60%
6th "	x	55%
7th "	x	50%
8th "	x	45%
9th "	x	40%
10th and each year thereafter	x	35%

The first calendar year means any period between the first day of January and the thirty-first day of December of the first year.

(ii) If the cost to the owner, or market value at the time of purchase, whichever is greater, of the home does not include the furnishings and equipment, such cost or market value shall be multiplied according to the following schedule:

For the first calendar year in which the home is owned by the current owner	x	95%
2nd calendar year	x	90%
3rd "	x	85%
4th "	x	80%
5th "	x	75%
6th "	x	70%
7th "	x	65%
8th "	x	60%
9th "	x	55%
10th and each year thereafter	x	50%

The first calendar year means any period between the first day of January and the thirty-first day of December of the first year.

(2) On a home in which ownership was transferred or that first acquired situs in this state on or after January 1, 2000:

(a) By multiplying the assessable value of the home by the effective tax rate, as defined in section 323.08 of the Revised Code, for residential real property of the taxing district in which the home has its situs, and deducting from the product thus obtained the reductions required or authorized under section 319.302, division (B) of section 323.152, or section 4503.065 of the Revised Code.

(b) The assessable value of the home shall be thirty-five per cent of its true value as determined under division (L) of this section.

(3) On or before the fifteenth day of January each year, the county auditor shall record the assessable value and the amount of tax on the manufactured or mobile home on the tax list and deliver a duplicate of the list to the county treasurer. In the case of an emergency as defined in section 323.17 of the Revised Code, the tax commissioner, by journal entry, may extend the times for delivery of the duplicate for an additional fifteen days upon receiving a written application from the county auditor regarding an extension for the delivery of the duplicate, or from the county treasurer regarding an extension of the time for the billing and collection of taxes. The application shall contain a statement describing the emergency that will cause the unavoidable delay and must be received by the tax commissioner on or before the last day of the month preceding the day delivery of the duplicate is otherwise required. When an extension is granted for delivery of the duplicate, the time period for payment of taxes shall be extended for a like period of time. When a delay in the closing of a tax collection period becomes unavoidable, the tax commissioner, upon application by the county auditor and county treasurer, may order the time for payment of taxes to be extended if the tax commissioner determines that penalties have accrued or would otherwise accrue for reasons beyond the control of the taxpayers of the county. The order shall prescribe the final extended date for payment of taxes for that collection period.

(4) After January 1, 1999, the owner of a manufactured or mobile home taxed pursuant to division (D)(1) of this section may elect to have the home taxed pursuant to division (D)(2) of this section by filing a written request with the county auditor of the taxing district in which the home is located on or before the first day of December of any year. Upon the filing of the request, the county auditor shall determine whether all taxes levied under division (D)(1) of this section have been paid, and if those taxes have been

paid, the county auditor shall tax the manufactured or mobile home pursuant to division (D)(2) of this section commencing in the next tax year.

(5) A manufactured or mobile home that acquired situs in this state prior to January 1, 2000, shall be taxed pursuant to division (D)(2) of this section if no manufactured home tax had been paid for the home and the home was not exempted from taxation pursuant to division (E) of this section for the year for which the taxes were not paid.

(6)(a) Immediately upon receipt of any manufactured home tax duplicate from the county auditor, but not less than twenty days prior to the last date on which the first one-half taxes may be paid without penalty as prescribed in division (F) of this section, the county treasurer shall cause to be prepared and mailed or delivered to each person charged on that duplicate with taxes, or to an agent designated by such person, the tax bill prescribed by the tax commissioner under division (D)(7) of this section. When taxes are paid by installments, the county treasurer shall mail or deliver to each person charged on such duplicate or the agent designated by that person a second tax bill showing the amount due at the time of the second tax collection. The second half tax bill shall be mailed or delivered at least twenty days prior to the close of the second half tax collection period. A change in the mailing address of any tax bill shall be made in writing to the county treasurer. Failure to receive a bill required by this section does not excuse failure or delay to pay any taxes shown on the bill or, except as provided in division (B)(1) of section 5715.39 of the Revised Code, avoid any penalty, interest, or charge for such delay.

(b) After delivery of the copy of the delinquent manufactured home tax list under division (H) of this section, the county treasurer may prepare and mail to each person in whose name a home is listed an additional tax bill showing the total amount of delinquent taxes charged against the home as shown on the list. The tax bill shall include a notice that the interest charge prescribed by division (G) of this section has begun to accrue.

(7) Each tax bill prepared and mailed or delivered under division (D)(6) of this section shall be in the form and contain the information required by the tax commissioner. The commissioner may prescribe different forms for each county and may authorize the county auditor to make up tax bills and tax receipts to be used by the county treasurer. The tax bill shall not contain or be mailed or delivered with any information or material that is not required by this section or that is not authorized by section 321.45 of the Revised Code or by the tax commissioner. In addition to the information required by the commissioner, each tax bill shall contain the following information:

(a) The taxes levied and the taxes charged and payable against the manufactured or mobile home;

(b) The following notice: "Notice: If the taxes are not paid within sixty days after the county auditor delivers the delinquent manufactured home tax list to the county treasurer, you and your home may be subject to collection proceedings for tax delinquency." Failure to provide such notice has no effect upon the validity of any tax judgment to which a home may be subjected.

(c) In the case of manufactured or mobile homes taxed under division (D)(2) of this section, the following additional information:

(i) The effective tax rate. The words "effective tax rate" shall appear in boldface type.

(ii) The following notice: "Notice: If the taxes charged against this home have been reduced by the 2-1/2 per cent tax reduction for residences occupied by the owner but the home is not a residence occupied by the owner, the owner must notify the county auditor's office not later than March 31 of the year for which the taxes are due. Failure to do so may result in the owner being convicted of a fourth degree misdemeanor, which is punishable by imprisonment up to 30 days, a fine up to \$250, or both, and in the owner having to repay the amount by which the taxes were erroneously or illegally reduced, plus any interest that may apply.

If the taxes charged against this home have not been reduced by the 2-1/2 per cent tax reduction and the home is a residence occupied by the owner, the home may qualify for the tax reduction. To obtain an application for the tax reduction or further information, the owner may contact the county auditor's office at (insert the address and telephone number of the county auditor's office)."

(E)(1) A manufactured or mobile home is not subject to this section when any of the following applies:

(a) It is taxable as personal property pursuant to section 5709.01 of the Revised Code. Any manufactured or mobile home that is used as a residence shall be subject to this section and shall not be taxable as personal property pursuant to section 5709.01 of the Revised Code.

(b) It bears a license plate issued by any state other than this state unless the home is in this state in excess of an accumulative period of thirty days in any calendar year.

(c) The annual tax has been paid on the home in this state for the current year.

(d) The tax commissioner has determined, pursuant to section 5715.27 of the Revised Code, that the property is exempt from taxation, or would be

exempt from taxation under Chapter 5709. of the Revised Code if it were classified as real property.

(2) A travel trailer or park trailer, as these terms are defined in section 4501.01 of the Revised Code, is not subject to this section if it is unused or unoccupied and stored at the owner's normal place of residence or at a recognized storage facility.

(3) A travel trailer or park trailer, as these terms are defined in section 4501.01 of the Revised Code, is subject to this section and shall be taxed as a manufactured or mobile home if it has a situs longer than thirty days in one location and is connected to existing utilities, unless either of the following applies:

(a) The situs is in a state facility or a camping or park area as defined in division (C), (Q), (S), or (V) of section 3729.01 of the Revised Code.

(b) The situs is in a camping or park area that is a tract of land that has been limited to recreational use by deed or zoning restrictions and subdivided for sale of five or more individual lots for the express or implied purpose of occupancy by either self-contained recreational vehicles as defined in division (T) of section 3729.01 of the Revised Code or by dependent recreational vehicles as defined in division (D) of section 3729.01 of the Revised Code.

(F) Except as provided in division (D)(3) of this section, the manufactured home tax is due and payable as follows:

(1) When a manufactured or mobile home has a situs in this state, as provided in this section, on the first day of January, one-half of the amount of the tax is due and payable on or before the first day of March and the balance is due and payable on or before the thirty-first day of July. At the option of the owner of the home, the tax for the entire year may be paid in full on the first day of March.

(2) When a manufactured or mobile home first acquires a situs in this state after the first day of January, no tax is due and payable for that year.

(G)(1)(a) Except as otherwise provided in division (G)(1)(b) of this section, if one-half of the current taxes charged under this section against a manufactured or mobile home, together with the full amount of any delinquent taxes, are not paid on or before the first day of March in that year, or on or before the last day for such payment as extended pursuant to section 4503.063 of the Revised Code, a penalty of ten per cent shall be charged against the unpaid balance of such half of the current taxes. If the total amount of all such taxes is not paid on or before the thirty-first day of July, next thereafter, or on or before the last day for payment as extended pursuant to section 4503.063 of the Revised Code, a like penalty shall be

charged on the balance of the total amount of the unpaid current taxes.

(b) After a valid delinquent tax contract that includes unpaid current taxes from a first-half collection period described in division (F) of this section has been entered into under section 323.31 of the Revised Code, no ten per cent penalty shall be charged against such taxes after the second-half collection period while the delinquent tax contract remains in effect. On the day a delinquent tax contract becomes void, the ten per cent penalty shall be charged against such taxes and shall equal the amount of penalty that would have been charged against unpaid current taxes outstanding on the date on which the second-half penalty would have been charged thereon under division (G)(1)(a) of this section if the contract had not been in effect.

(2)(a) On the first day of the month following the last day the second installment of taxes may be paid without penalty beginning in 2000, interest shall be charged against and computed on all delinquent taxes other than the current taxes that became delinquent taxes at the close of the last day such second installment could be paid without penalty. The charge shall be for interest that accrued during the period that began on the preceding first day of December and ended on the last day of the month that included the last date such second installment could be paid without penalty. The interest shall be computed at the rate per annum prescribed by section 5703.47 of the Revised Code and shall be entered as a separate item on the delinquent manufactured home tax list compiled under division (H) of this section.

(b) On the first day of December beginning in 2000, the interest shall be charged against and computed on all delinquent taxes. The charge shall be for interest that accrued during the period that began on the first day of the month following the last date prescribed for the payment of the second installment of taxes in the current year and ended on the immediately preceding last day of November. The interest shall be computed at the rate per annum prescribed by section 5703.47 of the Revised Code and shall be entered as a separate item on the delinquent manufactured home tax list.

(c) After a valid undertaking has been entered into for the payment of any delinquent taxes, no interest shall be charged against such delinquent taxes while the undertaking remains in effect in compliance with section 323.31 of the Revised Code. If a valid undertaking becomes void, interest shall be charged against the delinquent taxes for the periods that interest was not permitted to be charged while the undertaking was in effect. The interest shall be charged on the day the undertaking becomes void and shall equal the amount of interest that would have been charged against the unpaid delinquent taxes outstanding on the dates on which interest would have been charged thereon under divisions (G)(1) and (2) of this section had the

undertaking not been in effect.

(3) If the full amount of the taxes due at either of the times prescribed by division (F) of this section is paid within ten days after such time, the county treasurer shall waive the collection of and the county auditor shall remit one-half of the penalty provided for in this division for failure to make that payment by the prescribed time.

(4) The treasurer shall compile and deliver to the county auditor a list of all tax payments the treasurer has received as provided in division (G)(3) of this section. The list shall include any information required by the auditor for the remission of the penalties waived by the treasurer. The taxes so collected shall be included in the settlement next succeeding the settlement then in process.

(H)(1) Beginning in 2000, the county auditor shall compile annually a "delinquent manufactured home tax list" consisting of homes the county treasurer's records indicate have taxes that were not paid within the time prescribed by divisions (D)(3) and (F) of this section, have taxes that remain unpaid from prior years, or have unpaid tax penalties or interest that have been assessed.

(2) Within thirty days after the settlement under division (H)(2) of section 321.24 of the Revised Code beginning in 2000, the county auditor shall deliver a copy of the delinquent manufactured home tax list to the county treasurer. The auditor shall update and publish the delinquent manufactured home tax list annually in the same manner as delinquent real property tax lists are published. The county auditor shall apportion the cost of publishing the list among taxing districts in proportion to the amount of delinquent manufactured home taxes so published that each taxing district is entitled to receive upon collection of those taxes.

(3) When taxes, penalties, or interest are charged against a person on the delinquent manufactured home tax list and are not paid within sixty days after the list is delivered to the county treasurer, the county treasurer shall, in addition to any other remedy provided by law for the collection of taxes, penalties, and interest, enforce collection of such taxes, penalties, and interest by civil action in the name of the treasurer against the owner for the recovery of the unpaid taxes following the procedures for the recovery of delinquent real property taxes in sections 323.25 to 323.28 of the Revised Code. The action may be brought in municipal or county court, provided the amount charged does not exceed the monetary limitations for original jurisdiction for civil actions in those courts.

It is sufficient, having made proper parties to the suit, for the county treasurer to allege in the treasurer's bill of particulars or petition that the

taxes stand chargeable on the books of the county treasurer against such person, that they are due and unpaid, and that such person is indebted in the amount of taxes appearing to be due the county. The treasurer need not set forth any other matter relating thereto. If it is found on the trial of the action that the person is indebted to the state, judgment shall be rendered in favor of the county treasurer prosecuting the action. The judgment debtor is not entitled to the benefit of any law for stay of execution or exemption of property from levy or sale on execution in the enforcement of the judgment.

Upon the filing of an entry of confirmation of sale or an order of forfeiture in a proceeding brought under this division, title to the manufactured or mobile home shall be in the purchaser. The clerk of courts shall issue a certificate of title to the purchaser upon presentation of proof of filing of the entry of confirmation or order and, in the case of a forfeiture, presentation of the county auditor's certificate of sale.

(I) The total amount of taxes collected shall be distributed in the following manner: four per cent shall be allowed as compensation to the county auditor for the county auditor's service in assessing the taxes; two per cent shall be allowed as compensation to the county treasurer for the services the county treasurer renders as a result of the tax levied by this section. Such amounts shall be paid into the county treasury, to the credit of the county general revenue fund, on the warrant of the county auditor. Fees to be paid to the credit of the real estate assessment fund shall be collected pursuant to division ~~(B)~~(C) of section 319.54 of the Revised Code and paid into the county treasury, on the warrant of the county auditor. The balance of the taxes collected shall be distributed among the taxing subdivisions of the county in which the taxes are collected and paid in the same ratio as those taxes were collected for the benefit of the taxing subdivision. The taxes levied and revenues collected under this section shall be in lieu of any general property tax and any tax levied with respect to the privilege of using or occupying a manufactured or mobile home in this state except as provided in sections 4503.04 and 5741.02 of the Revised Code.

(J) An agreement to purchase or a bill of sale for a manufactured home shall show whether or not the furnishings and equipment are included in the purchase price.

(K) If the county treasurer and the county prosecuting attorney agree that an item charged on the delinquent manufactured home tax list is uncollectible, they shall certify that determination and the reasons to the county board of revision. If the board determines the amount is uncollectible, it shall certify its determination to the county auditor, who shall strike the item from the list.

(L)(1) The county auditor shall appraise at its true value any manufactured or mobile home in which ownership is transferred or which first acquires situs in this state on or after January 1, 2000, and any manufactured or mobile home the owner of which has elected, under division (D)(4) of this section, to have the home taxed under division (D)(2) of this section. The true value shall include the value of the home, any additions, and any fixtures, but not any furnishings in the home. In determining the true value of a manufactured or mobile home, the auditor shall consider all facts and circumstances relating to the value of the home, including its age, its capacity to function as a residence, any obsolete characteristics, and other factors that may tend to prove its true value.

(2)(a) If a manufactured or mobile home has been the subject of an arm's length sale between a willing seller and a willing buyer within a reasonable length of time prior to the determination of true value, the county auditor shall consider the sale price of the home to be the true value for taxation purposes.

(b) The sale price in an arm's length transaction between a willing seller and a willing buyer shall not be considered the true value of the home if either of the following occurred after the sale:

(i) The home has lost value due to a casualty.

(ii) An addition or fixture has been added to the home.

(3) The county auditor shall have each home viewed and appraised at least once in each six-year period in the same year in which real property in the county is appraised pursuant to Chapter 5713. of the Revised Code, and shall update the appraised values in the third calendar year following the appraisal. The person viewing or appraising a home may enter the home to determine by actual view any additions or fixtures that have been added since the last appraisal. In conducting the appraisals and establishing the true value, the auditor shall follow the procedures set forth for appraising real property in sections 5713.01 and 5713.03 of the Revised Code.

(4) The county auditor shall place the true value of each home on the manufactured home tax list upon completion of an appraisal.

(5)(a) If the county auditor changes the true value of a home, the auditor shall notify the owner of the home in writing, delivered by mail or in person. The notice shall be given at least thirty days prior to the issuance of any tax bill that reflects the change. Failure to receive the notice does not invalidate any proceeding under this section.

(b) Any owner of a home or any other person or party listed in division (A)(1) of section 5715.19 of the Revised Code may file a complaint against the true value of the home as appraised under this section. The complaint

shall be filed with the county auditor on or before the thirty-first day of March of the current tax year or the date of closing of the collection for the first half of manufactured home taxes for the current tax year, whichever is later. The auditor shall present to the county board of revision all complaints filed with the auditor under this section. The board shall hear and investigate the complaint and may take action on it as provided under sections 5715.11 to 5715.19 of the Revised Code.

(c) If the county board of revision determines, pursuant to a complaint against the valuation of a manufactured or mobile home filed under this section, that the amount of taxes, assessments, or other charges paid was in excess of the amount due based on the valuation as finally determined, then the overpayment shall be refunded in the manner prescribed in section 5715.22 of the Revised Code.

(d) Payment of all or part of a tax under this section for any year for which a complaint is pending before the county board of revision does not abate the complaint or in any way affect the hearing and determination thereof.

(M) If the county auditor determines that any tax or other charge or any part thereof has been erroneously charged as a result of a clerical error as defined in section 319.35 of the Revised Code, the county auditor shall call the attention of the county board of revision to the erroneous charges. If the board finds that the taxes or other charges have been erroneously charged or collected, it shall certify the finding to the auditor. Upon receipt of the certification, the auditor shall remove the erroneous charges on the manufactured home tax list or delinquent manufactured home tax list in the same manner as is prescribed in section 319.35 of the Revised Code for erroneous charges against real property, and refund any erroneous charges that have been collected, with interest, in the same manner as is prescribed in section 319.36 of the Revised Code for erroneous charges against real property.

(N) As used in this section and section 4503.061 of the Revised Code:

(1) "Manufactured home taxes" includes taxes, penalties, and interest charged under division (C) or (G) of this section and any penalties charged under division (G) or (H)(5) of section 4503.061 of the Revised Code.

(2) "Current taxes" means all manufactured home taxes charged against a manufactured or mobile home that have not appeared on the manufactured home tax list for any prior year. Current taxes become delinquent taxes if they remain unpaid after the last day prescribed for payment of the second installment of current taxes without penalty, whether or not they have been certified delinquent.

(3) "Delinquent taxes" means:

(a) Any manufactured home taxes that were charged against a manufactured or mobile home for a prior year, including any penalties or interest charged for a prior year, and that remain unpaid;

(b) Any current manufactured home taxes charged against a manufactured or mobile home that remain unpaid after the last day prescribed for payment of the second installment of current taxes without penalty, whether or not they have been certified delinquent, including any penalties or interest.

Sec. 4503.061. (A) All manufactured and mobile homes shall be listed on either the real property tax list or the manufactured home tax list of the county in which the home has situs. Each owner shall follow the procedures in this section to identify the home to the county auditor of the county containing the taxing district in which the home has situs so that the auditor may place the home on the appropriate tax list.

(B) When a manufactured or mobile home first acquires situs in this state and is subject to real property taxation pursuant to division (B)(1) or (2) of section 4503.06 of the Revised Code, the owner shall present to the auditor of the county containing the taxing district in which the home has its situs the certificate of title for the home, together with proof that all taxes due have been paid and proof that a relocation notice was obtained for the home if required under this section. Upon receiving the certificate of title and the required proofs, the auditor shall place the home on the real property tax list and proceed to treat the home as other properties on that list. After the auditor has placed the home on the tax list of real and public utility property, the auditor shall deliver the certificate of title to the clerk of the court of common pleas that issued it pursuant to section 4505.11 of the Revised Code, and the clerk shall inactivate the certificate of title.

(C)(1) When a manufactured or mobile home subject to a manufactured home tax is relocated to or first acquires situs in any county that has adopted a permanent manufactured home registration system, as provided in division (F) of this section, the owner, within thirty days after the home is relocated or first acquires situs under section 4503.06 of the Revised Code, shall register the home with the county auditor of the county containing the taxing district in which the home has its situs. For the first registration in each county of situs, the owner or vendee in possession shall present to the county auditor an Ohio certificate of title, certified copy of the certificate of title, or memorandum certificate of title as such are required by law, and proof, as required by the county auditor, that the home, if it has previously been occupied and is being relocated, has been previously registered, that all

taxes due and required to be paid under division (H)(1) of this section before a relocation notice may be issued have been paid, and that a relocation notice was obtained for the home if required by division (H) of this section. If the owner or vendee does not possess the Ohio certificate of title, certified copy of the certificate of title, or memorandum certificate of title at the time the owner or vendee first registers the home in a county, the county auditor shall register the home without presentation of the document, but the owner or vendee shall present the certificate of title, certified copy of the certificate of title, or memorandum certificate of title to the county auditor within fourteen days after the owner or vendee obtains possession of the document.

(2) When a manufactured or mobile home is registered for the first time in a county and when the total tax due has been paid as required by division (F) of section 4503.06 of the Revised Code or divisions (E) and (H) of this section, the county treasurer shall note by writing or by a stamp on the certificate of title, certified copy of certificate of title, or memorandum certificate of title that the home has been registered and that the taxes due, if any, have been paid for the preceding five years and for the current year. The treasurer shall then issue a certificate evidencing registration and a decal to be displayed on the street side of the home. The certificate is valid in any county in this state during the year for which it is issued.

(3) For each year thereafter, the county treasurer shall issue a tax bill stating the amount of tax due under section 4503.06 of the Revised Code, as provided in division (D)(6) of that section. When the total tax due has been paid as required by division (F) of that section, the county treasurer shall issue a certificate evidencing registration that shall be valid in any county in this state during the year for which the certificate is issued.

(4) The permanent decal issued under this division is valid during the period of ownership, except that when a manufactured home is relocated in another county the owner shall apply for a new registration as required by this section and section 4503.06 of the Revised Code.

(D)(1) All owners of manufactured or mobile homes subject to the manufactured home tax being relocated to or having situs in a county that has not adopted a permanent registration system, as provided in division (F) of this section, shall register the home within thirty days after the home is relocated or first acquires situs under section 4503.06 of the Revised Code and thereafter shall annually register the home with the county auditor of the county containing the taxing district in which the home has its situs.

(2) Upon the annual registration, the county treasurer shall issue a tax bill stating the amount of annual manufactured home tax due under section 4503.06 of the Revised Code, as provided in division (D)(6) of that section.

When a manufactured or mobile home is registered and when the tax for the current one-half year has been paid as required by division (F) of that section, the county treasurer shall issue a certificate evidencing registration and a decal. The certificate and decal are valid in any county in this state during the year for which they are issued. The decal shall be displayed on the street side of the home.

(3) For the first annual registration in each county of situs, the county auditor shall require the owner or vendee to present an Ohio certificate of title, certified copy of the certificate of title, or memorandum certificate of title as such are required by law, and proof, as required by the county auditor, that the manufactured or mobile home has been previously registered, if such registration was required, that all taxes due and required to be paid under division (H)(1) of this section before a relocation notice may be issued have been paid, and that a relocation notice was obtained for the home if required by division (H) of this section. If the owner or vendee does not possess the Ohio certificate of title, certified copy of the certificate of title, or memorandum certificate of title at the time the owner or vendee first registers the home in a county, the county auditor shall register the home without presentation of the document, but the owner or vendee shall present the certificate of title, certified copy of the certificate of title, or memorandum certificate of title to the county auditor within fourteen days after the owner or vendee obtains possession of the document. When the county treasurer receives the tax payment, the county treasurer shall note by writing or by a stamp on the certificate of title, certified copy of the certificate of title, or memorandum certificate of title that the home has been registered for the current year and that the manufactured home taxes due, if any, have been paid for the preceding five years and for the current year.

(4) For subsequent annual registrations, the auditor may require the owner or vendee in possession to present an Ohio certificate of title, certified copy of the certificate of title, or memorandum certificate of title to the county treasurer upon payment of the manufactured home tax that is due.

(E)(1) Upon the application to transfer ownership of a manufactured or mobile home for which manufactured home taxes are paid pursuant to division (C) of section 4503.06 of the Revised Code the clerk of the court of common pleas shall not issue any certificate of title that does not contain or have attached both of the following:

(a) An endorsement of the county treasurer stating that the home has been registered for each year of ownership and that all manufactured home taxes imposed pursuant to section 4503.06 of the Revised Code have been paid or that no tax is due;

(b) An endorsement of the county auditor that the manufactured home transfer tax imposed pursuant to section 322.06 of the Revised Code and any fees imposed under division ~~(F)~~(G) of section 319.54 of the Revised Code have been paid.

(2) If all the taxes have not been paid, the clerk shall notify the vendee to contact the county treasurer of the county containing the taxing district in which the home has its situs at the time of the proposed transfer. The county treasurer shall then collect all the taxes that are due for the year of the transfer and all previous years not exceeding a total of five years. The county treasurer shall distribute that part of the collection owed to the county treasurer of other counties if the home had its situs in another county during a particular year when the unpaid tax became due and payable. The burden to prove the situs of the home in the years that the taxes were not paid is on the transferor of the home. Upon payment of the taxes, the county auditor shall remove all remaining taxes from the manufactured home tax list and the delinquent manufactured home tax list, and the county treasurer shall release all liens for such taxes. The clerk of courts shall issue a certificate of title, free and clear of all liens for manufactured home taxes, to the transferee of the home.

(3) Once the transfer is complete and the certificate of title has been issued, the transferee shall register the manufactured or mobile home pursuant to division (C) or (D) of this section with the county auditor of the county containing the taxing district in which the home remains after the transfer or, if the home is relocated to another county, with the county auditor of the county to which the home is relocated. The transferee need not pay the annual tax for the year of acquisition if the original owner has already paid the annual tax for that year.

(F) The county auditor may adopt a permanent registration system and issue a permanent decal with the first registration as prescribed by the tax commissioner.

(G) When any manufactured or mobile home required to be registered by this section is not registered, the county auditor shall impose a penalty of one hundred dollars upon the owner and deposit the amount to the credit of the county real estate assessment fund to be used to pay the costs of administering this section and section 4503.06 of the Revised Code. If unpaid, the penalty shall constitute a lien on the home and shall be added by the county auditor to the manufactured home tax list for collection.

(H)(1) Except as otherwise provided in this division, before moving a manufactured or mobile home on public roads from one address within this state to another address within or outside this state, the owner of the home

shall obtain a relocation notice, as provided by this section, from the auditor of the county in which the home is located if the home is currently subject to taxation pursuant to section 4503.06 of the Revised Code. The auditor shall charge five dollars for the notice, and deposit the amount to the credit of the county real estate assessment fund to be used to pay the costs of administering this section and section 4503.06 of the Revised Code. The auditor shall not issue a relocation notice unless all taxes owed on the home under section 4503.06 of the Revised Code that were first charged to the home during the period of ownership of the owner seeking the relocation notice have been paid. If the home is being moved by a new owner of the home or by a party taking repossession of the home, the auditor shall not issue a relocation notice unless all of the taxes due for the preceding five years and for the current year have been paid. A relocation notice issued by a county auditor is valid until the last day of December of the year in which it was issued.

If the home is being moved by a sheriff, police officer, constable, bailiff, or manufactured home park operator, as defined in section 3733.01 of the Revised Code, or any agent of any of these persons, for purposes of removal from a manufactured home park and storage, sale, or destruction under section 1923.14 of the Revised Code, the auditor shall issue a relocation notice without requiring payment of any taxes owed on the home under section 4503.06 of the Revised Code.

(2) If a manufactured or mobile home is not yet subject to taxation under section 4503.06 of the Revised Code, the owner of the home shall obtain a relocation notice from the dealer of the home. Within thirty days after the manufactured or mobile home is purchased, the dealer of the home shall provide the auditor of the county in which the home is to be located written notice of the name of the purchaser of the home, the registration number or vehicle identification number of the home, and the address or location to which the home is to be moved. The county auditor shall provide to each manufactured and mobile home dealer, without charge, a supply of relocation notices to be distributed to purchasers pursuant to this section.

(3) The notice shall be in the form of a one-foot square yellow sign with the words "manufactured home relocation notice" printed prominently on it. The name of the owner of the home, the home's registration number or vehicle identification number, the county and the address or location to which the home is being moved, and the county in which the notice is issued shall also be entered on the notice.

(4) The relocation notice must be attached to the rear of the home when the home is being moved on a public road. Except as provided in divisions

(H)(1) and (5) of this section, no person shall drive a motor vehicle moving a manufactured or mobile home on a public road from one address to another address within this state unless a relocation notice is attached to the rear of the home.

(5) If the county auditor determines that a manufactured or mobile home has been moved without a relocation notice as required under this division, the auditor shall impose a penalty of one hundred dollars upon the owner of the home and upon the person who moved the home and deposit the amount to the credit of the county real estate assessment fund to pay the costs of administering this section and section 4503.06 of the Revised Code. If the home was relocated from one county in this state to another county in this state and the county auditor of the county to which the home was relocated imposes the penalty, that county auditor, upon collection of the penalty, shall cause an amount equal to the penalty to be transmitted from the county real estate assessment fund to the county auditor of the county from which the home was relocated, who shall deposit the amount to the credit of the county real estate assessment fund. If the penalty on the owner is unpaid, the penalty shall constitute a lien on the home and the auditor shall add the penalty to the manufactured home tax list for collection. If the county auditor determines that a dealer that has sold a manufactured or mobile home has failed to timely provide the information required under this division, the auditor shall impose a penalty upon the dealer in the amount of one hundred dollars. The penalty shall be credited to the county real estate assessment fund and used to pay the costs of administering this section and section 4503.06 of the Revised Code.

(I) Whoever violates division (H)(4) of this section is guilty of a minor misdemeanor.

Sec. 4503.064. As used in sections 4503.064 to 4503.069 of the Revised Code:

(A) "Sixty-five years of age or older" means a person who will be age sixty-five or older in the calendar year following the year of application for reduction in the assessable value of the person's manufactured or mobile home.

(B) ~~"Total income" means the adjusted gross income of the owner and the owner's spouse for the year preceding the year in which application for a reduction in taxes is made, as determined under the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, adjusted as follows:~~

~~(1) Subtract the amount of disability benefits included in adjusted gross income but not to exceed five thousand two hundred dollars;~~

~~(2) Add old age and survivors benefits received pursuant to the "Social~~

~~Security Act" that are not included in adjusted gross income;~~

~~(3) Add retirement, pension, annuity, or other retirement payments or benefits not included in adjusted gross income;~~

~~(4) Add tier I and II railroad retirement benefits received pursuant to the "Railroad Retirement Act," 50 Stat. 307, 45 U.S.C. 228;~~

~~(5) Add interest on federal, state, and local government obligations;~~

~~(6) For a person who received the homestead exemption for a prior year on the basis of being permanently and totally disabled and whose current application for the exemption is made on the basis of age, subtract the following amount:~~

~~(a) If the person received disability benefits that were not included in adjusted gross income in the year preceding the first year in which the person applied for the exemption on the basis of age, subtract an amount equal to the disability benefits the person received in that preceding year, to the extent included in total income in the current year and not subtracted under division (B)(1) of this section in the current year;~~

~~(b) If the person received disability benefits that were included in adjusted gross income in the year preceding the first year in which the person applied for the exemption on the basis of age, subtract an amount equal to the amount of disability benefits that were subtracted pursuant to division (B)(1) of this section in that preceding year, to the extent included in total income in the current year and not subtracted under division (B)(1) of this section in the current year.~~

~~Disability benefits that are paid by the department of veterans affairs or a branch of the armed forces of the United States on account of an injury or disability shall not be included in total income.~~

~~(C) "Old age and survivors benefits received pursuant to the 'Social Security Act'" or "tier I railroad retirement benefits received pursuant to the 'Railroad Retirement Act'" means:~~

~~(1) The old age benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year preceding the year in which the applicant's application for reduction is first successfully made, or, if no such benefits are payable that year, old age benefits payable the first succeeding year in which old age benefits under the social security or railroad retirement laws are payable, except in those cases where a change in social security or railroad retirement benefits results in a reduction in income.~~

~~(2) The lesser of:~~

~~(a) Survivors benefits payable under the social security or railroad retirement laws in effect on the last day of the calendar year preceding the~~

~~year in which the applicant's application for reduction is first successfully made, or, if no such benefits are payable that year, survivors benefits payable the first succeeding year in which survivors benefits are payable; or~~

~~(b) Old age benefits of the deceased spouse, as determined under division (C)(1) of this section, upon which the surviving spouse's survivors benefits are based under the social security or railroad retirement laws, except in those cases where a change in benefits would cause a reduction in income.~~

~~Survivors benefits are those described in division (C)(2)(b) of this section only if the deceased spouse received old age benefits in the year in which the deceased died. If the deceased spouse did not receive old age benefits in the year in which the deceased died, then survivors benefits are those described in division (C)(2)(a) of this section.~~

~~(D) "Permanently and totally disabled" means a person who, on the first day of January of the year of application, including late application, for reduction in the assessable value of a manufactured or mobile home, has some impairment in body or mind that makes the person unable to work at any substantially remunerative employment which the person is reasonably able to perform and which will, with reasonable probability, continue for an indefinite period of at least twelve months without any present indication of recovery therefrom or has been certified as permanently and totally disabled by a state or federal agency having the function of so classifying persons.~~

~~(E)(C) "Homestead exemption" means the reduction in taxes allowed under division (A) of section 323.152 of the Revised Code for the year in which an application is filed under section 4503.066 of the Revised Code.~~

~~(F)(D) "Manufactured home" has the meaning given in division (C)(4) of section 3781.06 of the Revised Code, and includes a structure consisting of two manufactured homes that were purchased either together or separately and are combined to form a single dwelling, but does not include a manufactured home that is taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code.~~

~~(G)(E) "Mobile home" has the meaning given in division (O) of section 4501.01 of the Revised Code and includes a structure consisting of two mobile homes that were purchased together or separately and combined to form a single dwelling, but does not include a mobile home that is taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code.~~

~~(H)(F) "Late application" means an application filed with an original application under division (A)(3) of section 4503.066 of the Revised Code.~~

~~Sec. 4503.065. (A) This section applies to any of the following:~~

- (1) An individual who is permanently and totally disabled;
- (2) An individual who is sixty-five years of age or older;

(3) An individual who is the surviving spouse of a deceased person who was permanently and totally disabled or sixty-five years of age or older and who applied and qualified for a reduction in assessable value under this section in the year of death, provided the surviving spouse is at least fifty-nine but not sixty-five or more years of age on the date the deceased spouse dies.

~~(B)(4)~~ The manufactured home tax on a manufactured or mobile home that is paid pursuant to division (C) of section 4503.06 of the Revised Code and that is owned and occupied as a home by an individual whose domicile is in this state and to whom this section applies, shall be reduced for any tax year for which the owner obtains a certificate of reduction from the county auditor under section 4503.067 of the Revised Code, provided the individual did not acquire ownership from a person, other than the individual's spouse, related by consanguinity or affinity for the purpose of qualifying for the reduction ~~in assessable value~~. An owner includes a settlor of a revocable inter vivos trust holding the title to a manufactured or mobile home occupied by the settlor as of right under the trust. ~~The~~

(1) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(2) of that section, the reduction shall equal the amount obtained by multiplying the tax rate for the tax year for which the certificate is issued by the reduction in assessable value shown in the following schedule:

Total Income	Reduce Assessable Value by the Lesser of:	
	Column A	Column B
\$11,900 or less	\$5,000	or seventy five per cent
More than \$11,900 but not more than \$17,500	\$3,000	or sixty per cent
More than \$17,500 but not more than \$23,000	\$1,000	or twenty five per cent
More than \$23,000		-0-

~~(2) Each calendar year, the tax commissioner shall adjust the foregoing schedule by completing the following calculations in September of each year:~~

~~(a) Determine the percentage increase in the gross domestic product deflator determined by the bureau of economic analysis of the United States department of commerce from the first day of January of the preceding calendar year to the last day of December of the preceding calendar year;~~

~~(b) Multiply that percentage increase by each of the total income amounts, and by each dollar amount by which assessable value is reduced, for the ensuing tax year;~~

~~(c) Add the resulting product to each of the total income amounts, and to each of the dollar amounts by which assessable value is reduced, for the ensuing tax year;~~

~~(d)(i) Except as provided in division (B)(2)(d)(ii) of this section, round the resulting sum to the nearest multiple of one hundred dollars;~~

~~(ii) If rounding the resulting sum to the nearest multiple of one hundred dollars under division (B)(2)(d)(i) of this section does not increase the dollar amounts by which assessable value is reduced, the resulting sum instead shall be rounded to the nearest multiple of ten dollars.~~

~~The commissioner shall certify the amounts resulting from the adjustment to each county auditor not later than the first day of December each year. The certified amounts apply to the second ensuing tax year. The commissioner shall not make the adjustment in any calendar year in which the amounts resulting from the adjustment would be less than the total income amounts, or less than the dollar amounts by which assessable value is reduced, for the ensuing tax year greater of the reduction granted for the tax year preceding the first tax year to which this section applies pursuant to Section 803.06 of Am. Sub. H.B. 119 of the 127th general assembly, if the taxpayer received a reduction for that preceding tax year, or the product of the following:~~

~~(a) Twenty-five thousand dollars of the true value of the property in money;~~

~~(b) The assessment percentage established by the tax commissioner under division (B) of section 5715.01 of the Revised Code, not to exceed thirty-five per cent;~~

~~(c) The effective tax rate used to calculate the taxes charged against the property for the current year, where "effective tax rate" is defined as in section 323.08 of the Revised Code;~~

~~(d) The quantity equal to one minus the sum of the percentage reductions in taxes received by the property for the current tax year under section 319.302 of the Revised Code and division (B) of section 323.152 of the Revised Code.~~

~~(2) For manufactured and mobile homes for which the tax imposed by section 4503.06 of the Revised Code is computed under division (D)(1) of that section, the reduction shall equal the greater of the reduction granted for the tax year preceding the first tax year to which this section applies pursuant to Section 803.06 of Am. Sub. H.B. 119 of the 127th general~~

assembly, if the taxpayer received a reduction for that preceding tax year, or the product of the following:

(a) Twenty-five thousand dollars of the cost to the owner, or the market value at the time of purchase, whichever is greater, as those terms are used in division (D)(1) of section 4503.06 of the Revised Code;

(b) The percentage from the appropriate schedule in division (D)(1)(b) of section 4503.06 of the Revised Code;

(c) The assessment percentage of forty per cent used in division (D)(1)(b) of section 4503.06 of the Revised Code;

(d) The tax rate of the taxing district in which the home has its situs.

(C) If the owner or the spouse of the owner of a manufactured or mobile home is eligible for a homestead exemption on the land upon which the home is located, the reduction ~~in assessable value~~ to which the owner or spouse is entitled under this section shall not exceed the difference between the reduction ~~in assessable value~~ to which the owner or spouse is entitled under ~~column A of the above schedule~~ division (B) of this section and the amount of the reduction ~~in taxable value that was used to compute~~ under the homestead exemption.

(D) No reduction shall be made ~~on the assessable value of~~ with respect to the home of any person convicted of violating division (C) or (D) of section 4503.066 of the Revised Code for a period of three years following the conviction.

Sec. 4503.066. (A)(1) To obtain a tax reduction ~~in the assessable value of a manufactured or mobile home~~ under section 4503.065 of the Revised Code, the owner of the home shall file an application with the county auditor of the county in which the home is located. An application for reduction in ~~assessable value~~ taxes based upon a physical disability shall be accompanied by a certificate signed by a physician, and an application for reduction in ~~assessable value~~ taxes based upon a mental disability shall be accompanied by a certificate signed by a physician or psychologist licensed to practice in this state. The certificate shall attest to the fact that the applicant is permanently and totally disabled, shall be in a form that the department of taxation requires, and shall include the definition of totally and permanently disabled as set forth in section 4503.064 of the Revised Code. An application for reduction in ~~assessable value~~ taxes based upon a disability certified as permanent and total by a state or federal agency having the function of so classifying persons shall be accompanied by a certificate from that agency.

(2) Each application shall constitute a continuing application for a reduction in ~~assessable value~~ taxes for each year in which the manufactured

or mobile home is occupied by the applicant ~~and in which the amount of the reduction in assessable value does not exceed either the amount or per cent of the reduction for the year in which the application was first filed.~~ Failure to receive a new application or notification under division (B) of this section after a certificate of reduction has been issued under section 4503.067 of the Revised Code is prima-facie evidence that the original applicant is entitled to the reduction ~~in assessable value~~ calculated on the basis of the information contained in the original application. The original application and any subsequent application shall be in the form of a signed statement and shall be filed not later than the first Monday in June. The statement shall be on a form, devised and supplied by the tax commissioner, that shall require no more information than is necessary to establish the applicant's eligibility for the reduction in assessable value taxes and the amount of the reduction to which the applicant is entitled. ~~The form shall contain a statement that signing such application constitutes a delegation of authority by the applicant to the county auditor to examine any financial records that relate to income earned by the applicant as stated on the application for the purpose of determining eligibility under, or possible violation of, division (C) or (D) of this section.~~ The form also shall contain a statement that conviction of willfully falsifying information to obtain a reduction in assessable value taxes or failing to comply with division (B) of this section shall result in the revocation of the right to the reduction for a period of three years.

(3) A late application for a reduction in assessable value taxes for the year preceding the year for which an original application is filed may be filed with an original application. If the auditor determines that the information contained in the late application is correct, the auditor shall determine both the amount of the reduction in assessable value taxes to which the applicant would have been entitled for the current tax year had the application been timely filed and approved in the preceding year, and the amount the taxes levied under section 4503.06 of the Revised Code for the current year would have been reduced as a result of the reduction ~~in assessable value~~. When an applicant is permanently and totally disabled on the first day of January of the year in which the applicant files a late application, the auditor, in making the determination of the amounts of the reduction in ~~assessable value and~~ taxes under division (A)(3) of this section, is not required to determine that the applicant was permanently and totally disabled on the first day of January of the preceding year.

The amount of the reduction in taxes pursuant to a late application shall be treated as an overpayment of taxes by the applicant. The auditor shall

credit the amount of the overpayment against the amount of the taxes or penalties then due from the applicant, and, at the next succeeding settlement, the amount of the credit shall be deducted from the amount of any taxes or penalties distributable to the county or any taxing unit in the county that has received the benefit of the taxes or penalties previously overpaid, in proportion to the benefits previously received. If, after the credit has been made, there remains a balance of the overpayment, or if there are no taxes or penalties due from the applicant, the auditor shall refund that balance to the applicant by a warrant drawn on the county treasurer in favor of the applicant. The treasurer shall pay the warrant from the general fund of the county. If there is insufficient money in the general fund to make the payment, the treasurer shall pay the warrant out of any undivided manufactured or mobile home taxes subsequently received by the treasurer for distribution to the county or taxing district in the county that received the benefit of the overpaid taxes, in proportion to the benefits previously received, and the amount paid from the undivided funds shall be deducted from the money otherwise distributable to the county or taxing district in the county at the next or any succeeding distribution. At the next or any succeeding distribution after making the refund, the treasurer shall reimburse the general fund for any payment made from that fund by deducting the amount of that payment from the money distributable to the county or other taxing unit in the county that has received the benefit of the taxes, in proportion to the benefits previously received. On the second Monday in September of each year, the county auditor shall certify the total amount of the reductions in taxes made in the current year under division (A)(3) of this section to the tax commissioner who shall treat that amount as a reduction in taxes for the current tax year and shall make reimbursement to the county of that amount in the manner prescribed in section 4503.068 of the Revised Code, from moneys appropriated for that purpose.

(B) If in any year after an application has been filed under division (A) of this section the owner no longer qualifies for the reduction in ~~assessable value~~ taxes for which the owner was issued a certificate ~~or qualifies for a reduction that is less than either the per cent or amount of the reduction to which the owner was entitled in the year the application was filed~~, the owner shall notify the county auditor that the owner is not qualified for a reduction in ~~the assessable value of the home or file a new application under division (A) of this section~~ taxes.

During January of each year, the county auditor shall furnish each person issued a certificate of reduction ~~in value~~, by ordinary mail, a form on which to report any ~~changes in total income that would have the effect of~~

~~increasing or decreasing the reduction to which the person is entitled, changes in ownership of the home, including changes in or revocation of a revocable inter vivos trust, changes in disability, and other changes in the information earlier furnished the auditor relative to the application. The form shall be completed and returned to the auditor not later than the first Monday in June if the changes would affect the level of reduction in assessable value.~~

(C) No person shall knowingly make a false statement for the purpose of obtaining a reduction in ~~assessable value~~ taxes under section 4503.065 of the Revised Code.

(D) No person shall knowingly fail to notify the county auditor of any change required by division (B) of this section that has the effect of maintaining or securing a reduction in ~~assessable value of the home in excess of the reduction allowed~~ taxes under section 4503.065 of the Revised Code.

(E) No person shall knowingly make a false statement or certification attesting to any person's physical or mental condition for purposes of qualifying such person for tax relief pursuant to sections 4503.064 to 4503.069 of the Revised Code.

(F) Whoever violates division (C), (D), or (E) of this section is guilty of a misdemeanor of the fourth degree.

Sec. 4503.067. (A) At the same time the tax bill for the first half of the tax year is issued, the county auditor shall issue a certificate of reduction in ~~assessable value of~~ taxes for a manufactured or mobile home in triplicate for each person who has complied with section 4503.066 of the Revised Code and been found by the auditor to be entitled to a reduction ~~of assessable value in taxes~~ for the succeeding tax year. The certificate shall set forth the ~~assessable value of the home calculated under section 4503.06 of the Revised Code and the~~ amount of the reduction in ~~assessable value of the home~~ taxes calculated under section 4503.065 of the Revised Code. Upon issuance of the certificate, the auditor shall reduce the ~~assessable value of~~ manufactured home tax levied on the home for the succeeding tax year by the required amount and forward the original and one copy of the certificate to the county treasurer. The auditor shall retain one copy of the certificate. The treasurer shall retain the original certificate and forward the remaining copy to the recipient with the tax bill delivered pursuant to division (D)(6) of section 4503.06 of the Revised Code.

(B) If the application or a continuing application is not approved, the auditor shall notify the applicant of the reasons for denial no later than the first Monday in October. If a person believes that the person's application

for reduction in ~~assessable value of a home~~ taxes has been improperly denied or is for less than that to which the person is entitled, the person may file an appeal with the county board of revision no later than the thirty-first day of January of the following calendar year. The appeal shall be treated in the same manner as a complaint relating to the valuation or assessment of real property under Chapter 5715. of the Revised Code.

Sec. 4503.10. (A) The owner of every snowmobile, off-highway motorcycle, and all-purpose vehicle required to be registered under section 4519.02 of the Revised Code shall file an application for registration under section 4519.03 of the Revised Code. The owner of a motor vehicle, other than a snowmobile, off-highway motorcycle, or all-purpose vehicle, that is not designed and constructed by the manufacturer for operation on a street or highway may not register it under this chapter except upon certification of inspection pursuant to section 4513.02 of the Revised Code by the sheriff, or the chief of police of the municipal corporation or township, with jurisdiction over the political subdivision in which the owner of the motor vehicle resides. Except as provided in section 4503.103 of the Revised Code, every owner of every other motor vehicle not previously described in this section and every person mentioned as owner in the last certificate of title of a motor vehicle that is operated or driven upon the public roads or highways shall cause to be filed each year, by mail or otherwise, in the office of the registrar of motor vehicles or a deputy registrar, a written or electronic application or a preprinted registration renewal notice issued under section 4503.102 of the Revised Code, the form of which shall be prescribed by the registrar, for registration for the following registration year, which shall begin on the first day of January of every calendar year and end on the thirty-first day of December in the same year. Applications for registration and registration renewal notices shall be filed at the times established by the registrar pursuant to section 4503.101 of the Revised Code. A motor vehicle owner also may elect to apply for or renew a motor vehicle registration by electronic means using electronic signature in accordance with rules adopted by the registrar. Except as provided in division (J) of this section, applications for registration shall be made on blanks furnished by the registrar for that purpose, containing the following information:

(1) A brief description of the motor vehicle to be registered, including the year, make, model, and vehicle identification number, and, in the case of commercial cars, the gross weight of the vehicle fully equipped computed in the manner prescribed in section 4503.08 of the Revised Code;

(2) The name and residence address of the owner, and the township and

municipal corporation in which the owner resides;

(3) The district of registration, which shall be determined as follows:

(a) In case the motor vehicle to be registered is used for hire or principally in connection with any established business or branch business, conducted at a particular place, the district of registration is the municipal corporation in which that place is located or, if not located in any municipal corporation, the county and township in which that place is located.

(b) In case the vehicle is not so used, the district of registration is the municipal corporation or county in which the owner resides at the time of making the application.

(4) Whether the motor vehicle is a new or used motor vehicle;

(5) The date of purchase of the motor vehicle;

(6) Whether the fees required to be paid for the registration or transfer of the motor vehicle, during the preceding registration year and during the preceding period of the current registration year, have been paid. Each application for registration shall be signed by the owner, either manually or by electronic signature, or pursuant to obtaining a limited power of attorney authorized by the registrar for registration, or other document authorizing such signature. If the owner elects to apply for or renew the motor vehicle registration with the registrar by electronic means, the owner's manual signature is not required.

(7) The owner's social security number, driver's license number, or state identification number, or, where a motor vehicle to be registered is used for hire or principally in connection with any established business, the owner's federal taxpayer identification number. The bureau of motor vehicles shall retain in its records all social security numbers provided under this section, but the bureau shall not place social security numbers on motor vehicle certificates of registration.

(B) Except as otherwise provided in this division, each time an applicant first registers a motor vehicle in the applicant's name, the applicant shall present for inspection a physical certificate of title or memorandum certificate showing title to the motor vehicle to be registered in the name of the applicant if a physical certificate of title or memorandum certificate has been issued by a clerk of a court of common pleas. If, under sections 4505.021, 4505.06, and 4505.08 of the Revised Code, a clerk instead has issued an electronic certificate of title for the applicant's motor vehicle, that certificate may be presented for inspection at the time of first registration in a manner prescribed by rules adopted by the registrar. An applicant is not required to present a certificate of title to an electronic motor vehicle dealer acting as a limited authority deputy registrar in accordance with rules

adopted by the registrar. When a motor vehicle inspection and maintenance program is in effect under section 3704.14 of the Revised Code and rules adopted under it, each application for registration for a vehicle required to be inspected under that section and those rules shall be accompanied by an inspection certificate for the motor vehicle issued in accordance with that section. The application shall be refused if any of the following applies:

(1) The application is not in proper form.

(2) The application is prohibited from being accepted by division (D) of section 2935.27, division (A) of section 2937.221, division (A) of section 4503.13, division (B) of section 4510.22, or division (B)(1) of section 4521.10 of the Revised Code.

(3) A certificate of title or memorandum certificate of title is required but does not accompany the application or, in the case of an electronic certificate of title, is required but is not presented in a manner prescribed by the registrar's rules.

(4) All registration and transfer fees for the motor vehicle, for the preceding year or the preceding period of the current registration year, have not been paid.

(5) The owner or lessee does not have an inspection certificate for the motor vehicle as provided in section 3704.14 of the Revised Code, and rules adopted under it, if that section is applicable.

This section does not require the payment of license or registration taxes on a motor vehicle for any preceding year, or for any preceding period of a year, if the motor vehicle was not taxable for that preceding year or period under sections 4503.02, 4503.04, 4503.11, 4503.12, and 4503.16 or Chapter 4504. of the Revised Code. When a certificate of registration is issued upon the first registration of a motor vehicle by or on behalf of the owner, the official issuing the certificate shall indicate the issuance with a stamp on the certificate of title or memorandum certificate or, in the case of an electronic certificate of title, an electronic stamp or other notation as specified in rules adopted by the registrar, and with a stamp on the inspection certificate for the motor vehicle, if any. The official also shall indicate, by a stamp or by other means the registrar prescribes, on the registration certificate issued upon the first registration of a motor vehicle by or on behalf of the owner the odometer reading of the motor vehicle as shown in the odometer statement included in or attached to the certificate of title. Upon each subsequent registration of the motor vehicle by or on behalf of the same owner, the official also shall so indicate the odometer reading of the motor vehicle as shown on the immediately preceding certificate of registration.

The registrar shall include in the permanent registration record of any

vehicle required to be inspected under section 3704.14 of the Revised Code the inspection certificate number from the inspection certificate that is presented at the time of registration of the vehicle as required under this division.

(C)(1) Commencing with each registration renewal with an expiration date on or after October 1, 2003, and for each initial application for registration received on and after that date, the registrar and each deputy registrar shall collect an additional fee of eleven dollars for each application for registration and registration renewal received. The additional fee is for the purpose of defraying the department of public safety's costs associated with the administration and enforcement of the motor vehicle and traffic laws of Ohio. Each deputy registrar shall transmit the fees collected under division (C)(1) of this section in the time and manner provided in this section. The registrar shall deposit all moneys received under division (C)(1) of this section into the state highway safety fund established in section 4501.06 of the Revised Code.

(2) In addition, a charge of twenty-five cents shall be made for each reflectorized safety license plate issued, and a single charge of twenty-five cents shall be made for each county identification sticker or each set of county identification stickers issued, as the case may be, to cover the cost of producing the license plates and stickers, including material, manufacturing, and administrative costs. Those fees shall be in addition to the license tax. If the total cost of producing the plates is less than twenty-five cents per plate, or if the total cost of producing the stickers is less than twenty-five cents per sticker or per set issued, any excess moneys accruing from the fees shall be distributed in the same manner as provided by section 4501.04 of the Revised Code for the distribution of license tax moneys. If the total cost of producing the plates exceeds twenty-five cents per plate, or if the total cost of producing the stickers exceeds twenty-five cents per sticker or per set issued, the difference shall be paid from the license tax moneys collected pursuant to section 4503.02 of the Revised Code.

(D) Each deputy registrar shall be allowed a fee of two dollars and seventy-five cents commencing on July 1, 2001, three dollars and twenty-five cents commencing on January 1, 2003, and three dollars and fifty cents commencing on January 1, 2004, for each application for registration and registration renewal notice the deputy registrar receives, which shall be for the purpose of compensating the deputy registrar for the deputy registrar's services, and such office and rental expenses, as may be necessary for the proper discharge of the deputy registrar's duties in the receiving of applications and renewal notices and the issuing of

registrations.

(E) Upon the certification of the registrar, the county sheriff or local police officials shall recover license plates erroneously or fraudulently issued.

(F) Each deputy registrar, upon receipt of any application for registration or registration renewal notice, together with the license fee and any local motor vehicle license tax levied pursuant to Chapter 4504. of the Revised Code, shall transmit that fee and tax, if any, in the manner provided in this section, together with the original and duplicate copy of the application, to the registrar. The registrar, subject to the approval of the director of public safety, may deposit the funds collected by those deputies in a local bank or depository to the credit of the "state of Ohio, bureau of motor vehicles." Where a local bank or depository has been designated by the registrar, each deputy registrar shall deposit all moneys collected by the deputy registrar into that bank or depository not more than one business day after their collection and shall make reports to the registrar of the amounts so deposited, together with any other information, some of which may be prescribed by the treasurer of state, as the registrar may require and as prescribed by the registrar by rule. The registrar, within three days after receipt of notification of the deposit of funds by a deputy registrar in a local bank or depository, shall draw on that account in favor of the treasurer of state. The registrar, subject to the approval of the director and the treasurer of state, may make reasonable rules necessary for the prompt transmittal of fees and for safeguarding the interests of the state and of counties, townships, municipal corporations, and transportation improvement districts levying local motor vehicle license taxes. The registrar may pay service charges usually collected by banks and depositories for such service. If deputy registrars are located in communities where banking facilities are not available, they shall transmit the fees forthwith, by money order or otherwise, as the registrar, by rule approved by the director and the treasurer of state, may prescribe. The registrar may pay the usual and customary fees for such service.

(G) This section does not prevent any person from making an application for a motor vehicle license directly to the registrar by mail, by electronic means, or in person at any of the registrar's offices, upon payment of a service fee of two dollars and seventy-five cents commencing on July 1, 2001, three dollars and twenty-five cents commencing on January 1, 2003, and three dollars and fifty cents commencing on January 1, 2004, for each application.

(H) No person shall make a false statement as to the district of

registration in an application required by division (A) of this section. Violation of this division is falsification under section 2921.13 of the Revised Code and punishable as specified in that section.

(I)(1) Where applicable, the requirements of division (B) of this section relating to the presentation of an inspection certificate issued under section 3704.14 of the Revised Code and rules adopted under it for a motor vehicle, the refusal of a license for failure to present an inspection certificate, and the stamping of the inspection certificate by the official issuing the certificate of registration apply to the registration of and issuance of license plates for a motor vehicle under sections 4503.102, 4503.12, 4503.14, 4503.15, 4503.16, 4503.171, 4503.172, 4503.19, 4503.40, 4503.41, 4503.42, 4503.43, 4503.44, 4503.46, 4503.47, and 4503.51 of the Revised Code.

(2)(a) The registrar shall adopt rules ensuring that each owner registering a motor vehicle in a county where a motor vehicle inspection and maintenance program is in effect under section 3704.14 of the Revised Code and rules adopted under it receives information about the requirements established in that section and those rules and about the need in those counties to present an inspection certificate with an application for registration or preregistration.

(b) Upon request, the registrar shall provide the director of environmental protection, or any person that has been awarded a contract under ~~division (D)~~ of section 3704.14 of the Revised Code, an on-line computer data link to registration information for all passenger cars, noncommercial motor vehicles, and commercial cars that are subject to that section. The registrar also shall provide to the director of environmental protection a magnetic data tape containing registration information regarding passenger cars, noncommercial motor vehicles, and commercial cars for which a multi-year registration is in effect under section 4503.103 of the Revised Code or rules adopted under it, including, without limitation, the date of issuance of the multi-year registration, the registration deadline established under rules adopted under section 4503.101 of the Revised Code that was applicable in the year in which the multi-year registration was issued, and the registration deadline for renewal of the multi-year registration.

(J) Application for registration under the international registration plan, as set forth in sections 4503.60 to 4503.66 of the Revised Code, shall be made to the registrar on forms furnished by the registrar. In accordance with international registration plan guidelines and pursuant to rules adopted by the registrar, the forms shall include the following:

- (1) A uniform mileage schedule;

(2) The gross vehicle weight of the vehicle or combined gross vehicle weight of the combination vehicle as declared by the registrant;

(3) Any other information the registrar requires by rule.

Sec. 4503.102. (A) The registrar of motor vehicles shall adopt rules to establish a centralized system of motor vehicle registration renewal by mail or by electronic means. Any person owning a motor vehicle that was registered in the person's name during the preceding registration year shall renew the registration of the motor vehicle not more than ninety days prior to the expiration date of the registration either by mail or by electronic means through the centralized system of registration established under this section, or in person at any office of the registrar or at a deputy registrar's office.

(B)(1) No less than forty-five days prior to the expiration date of any motor vehicle registration, the registrar shall mail a renewal notice to the person in whose name the motor vehicle is registered. The renewal notice shall clearly state that the registration of the motor vehicle may be renewed by mail or electronic means through the centralized system of registration or in person at any office of the registrar or at a deputy registrar's office and shall be preprinted with information including, but not limited to, the owner's name and residence address as shown in the records of the bureau of motor vehicles, a brief description of the motor vehicle to be registered, notice of the license taxes and fees due on the motor vehicle, the toll-free telephone number of the registrar as required under division (D)(1) of section 4503.031 of the Revised Code, and any additional information the registrar may require by rule. The renewal notice shall be sent by regular mail to the owner's last known address as shown in the records of the bureau of motor vehicles.

(2) If the application for renewal of the registration of a motor vehicle is prohibited from being accepted by the registrar or a deputy registrar by division (D) of section 2935.27, division (A) of section 2937.221, division (A) of section 4503.13, division (B) of section 4510.22, or division (B)(1) of section 4521.10 of the Revised Code, the registrar is not required to send a renewal notice to the vehicle owner or vehicle lessee.

(C) The owner of the motor vehicle shall verify the information contained in the notice, sign it either manually or by electronic means, and return it, either by mail or electronic means, or the owner may take it in person to any office of the registrar or of a deputy registrar, together with a financial transaction device number, when permitted by rule of the registrar, check, or money order in the amount of the registration taxes and fees payable on the motor vehicle and a mail fee of two dollars and seventy-five

cents commencing on July 1, 2001, three dollars and twenty-five cents commencing on January 1, 2003, and three dollars and fifty cents commencing on January 1, 2004, plus postage as indicated on the notice, if the registration is renewed by mail, and an inspection certificate for the motor vehicle as provided in section 3704.14 of the Revised Code. If the motor vehicle owner chooses to renew the motor vehicle registration by electronic means, the owner shall proceed in accordance with the rules the registrar adopts.

(D) If all registration and transfer fees for the motor vehicle for the preceding year or the preceding period of the current registration year have not been paid, if division (D) of section 2935.27, division (A) of section 2937.221, division (A) of section 4503.13, division (B) of section 4510.22, or division (B)(1) of section 4521.10 of the Revised Code prohibits acceptance of the renewal notice, or if the owner or lessee does not have an inspection certificate for the motor vehicle as provided in section 3704.14 of the Revised Code, if that section is applicable, the license shall be refused, and the registrar or deputy registrar shall so notify the owner. This section does not require the payment of license or registration taxes on a motor vehicle for any preceding year, or for any preceding period of a year, if the motor vehicle was not taxable for that preceding year or period under section 4503.02, 4503.04, 4503.11, 4503.12, or 4503.16 or Chapter 4504. of the Revised Code.

(E)(1) Failure to receive a renewal notice does not relieve a motor vehicle owner from the responsibility to renew the registration for the motor vehicle. Any person who has a motor vehicle registered in this state and who does not receive a renewal notice as provided in division (B) of this section prior to the expiration date of the registration shall request an application for registration from the registrar or a deputy registrar and sign the application manually or by electronic means and submit the application and pay any applicable license taxes and fees to the registrar or deputy registrar.

(2) If the owner of a motor vehicle submits an application for registration and the registrar is prohibited by division (D) of section 2935.27, division (A) of section 2937.221, division (A) of section 4503.13, division (B) of section 4510.22, or division (B)(1) of section 4521.10 of the Revised Code from accepting the application, the registrar shall return the application and the payment to the owner. If the owner of a motor vehicle submits a registration renewal application to the registrar by electronic means and the registrar is prohibited from accepting the application as provided in this division, the registrar shall notify the owner of this fact and deny the application and return the payment or give a credit on the financial

transaction device account of the owner in the manner the registrar prescribes by rule adopted pursuant to division (A) of this section.

(F) Every deputy registrar shall post in a prominent place at the deputy's office a notice informing the public of the mail registration system required by this section and also shall post a notice that every owner of a motor vehicle and every chauffeur holding a certificate of registration is required to notify the registrar in writing of any change of residence within ten days after the change occurs. The notice shall be in such form as the registrar prescribes by rule.

(G) The two dollars and seventy-five cents fee collected from July 1, 2001, through December 31, 2002, the three dollars and twenty-five cents fee collected from January 1, 2003, through December 31, 2003, and the three dollars and fifty cents fee collected after January 1, 2004, plus postage and any financial transaction device surcharge collected by the registrar for registration by mail, shall be paid to the credit of the state bureau of motor vehicles fund established by section 4501.25 of the Revised Code.

(H)(1) Pursuant to section 113.40 of the Revised Code, the registrar may implement a program permitting payment of motor vehicle registration taxes and fees, driver's license and commercial driver's license fees, and any other taxes, fees, penalties, or charges imposed or levied by the state by means of a financial transaction device. The registrar may adopt rules as necessary for this purpose.

(2) Commencing with deputy registrar contract awards that have a start date of July 1, 2008, and for all contract awards thereafter, the registrar shall incorporate in the review process a score for whether or not a proposer states that the proposer will accept payment by means of a financial transaction device, including credit cards and debit cards, for all department of public safety transactions conducted at that deputy registrar location.

A deputy registrar shall not be required to accept payment by means of a financial transaction device unless the deputy registrar agreed to do so in the deputy registrar's contract. The bureau shall not be required to pay any costs incurred by a deputy registrar who accepts payment by means of a financial transaction device that result from the deputy registrar accepting payment by means of a financial transaction device.

(3) A county auditor that is designated a deputy registrar may choose to accept payment by means of a financial transaction device, including credit cards and debit cards, for all department of public safety transactions conducted at the office of the county auditor in the county auditor's capacity as deputy registrar. The bureau shall not be required to pay any costs incurred by a county auditor who accepts payment by means of a financial

transaction device that result from the county auditor accepting payment by means of a financial transaction device for any such department of public safety transaction.

(I) For persons who reside in counties where tailpipe emissions inspections are required under the motor vehicle inspection and maintenance program, the notice required by division (B) of this section shall also include the toll-free telephone number maintained by the Ohio environmental protection agency to provide information concerning the locations of emissions testing centers.

Sec. 4503.35. (A) The motor vehicles furnished by the state for use by the elective state officials, and motor vehicles owned and operated by political subdivisions of the state, are exempt from section 4503.23 of the Revised Code.

(B) The ~~motor~~ following vehicles are exempt from section 4503.23 of the Revised Code:

(1) Motor vehicles operated by troopers of the state highway patrol, ~~and motor:~~

(2) Motor vehicles operated by or on behalf of any person whose responsibilities include involvement in authorized civil or criminal investigations requiring that the presence and identity of the vehicle occupants be undisclosed, ~~are exempt from section 4503.23 of the Revised Code:~~

(3) Motor vehicles used to assist crime victims when a state agency determines that the situation warrants it.

Sec. 4505.06. (A)(1) Application for a certificate of title shall be made in a form prescribed by the registrar of motor vehicles and shall be sworn to before a notary public or other officer empowered to administer oaths. The application shall be filed with the clerk of any court of common pleas. An application for a certificate of title may be filed electronically by any electronic means approved by the registrar in any county with the clerk of the court of common pleas of that county. Any payments required by this chapter shall be considered as accompanying any electronically transmitted application when payment actually is received by the clerk. Payment of any fee or taxes may be made by electronic transfer of funds.

(2) The application for a certificate of title shall be accompanied by the fee prescribed in section 4505.09 of the Revised Code. The fee shall be retained by the clerk who issues the certificate of title and shall be distributed in accordance with that section. If a clerk of a court of common pleas, other than the clerk of the court of common pleas of an applicant's county of residence, issues a certificate of title to the applicant, the clerk

shall transmit data related to the transaction to the automated title processing system.

(3) If a certificate of title previously has been issued for a motor vehicle in this state, the application for a certificate of title also shall be accompanied by that certificate of title duly assigned, unless otherwise provided in this chapter. If a certificate of title previously has not been issued for the motor vehicle in this state, the application, unless otherwise provided in this chapter, shall be accompanied by a manufacturer's or importer's certificate or by a certificate of title of another state from which the motor vehicle was brought into this state. If the application refers to a motor vehicle last previously registered in another state, the application also shall be accompanied by the physical inspection certificate required by section 4505.061 of the Revised Code. If the application is made by two persons regarding a motor vehicle in which they wish to establish joint ownership with right of survivorship, they may do so as provided in section 2131.12 of the Revised Code. If the applicant requests a designation of the motor vehicle in beneficiary form so that upon the death of the owner of the motor vehicle, ownership of the motor vehicle will pass to a designated transfer-on-death beneficiary or beneficiaries, the applicant may do so as provided in section 2131.13 of the Revised Code. A person who establishes ownership of a motor vehicle that is transferable on death in accordance with section 2131.13 of the Revised Code may terminate that type of ownership or change the designation of the transfer-on-death beneficiary or beneficiaries by applying for a certificate of title pursuant to this section. The clerk shall retain the evidence of title presented by the applicant and on which the certificate of title is issued, except that, if an application for a certificate of title is filed electronically by an electronic motor vehicle dealer on behalf of the purchaser of a motor vehicle, the clerk shall retain the completed electronic record to which the dealer converted the certificate of title application and other required documents. The registrar, after consultation with the attorney general, shall adopt rules that govern the location at which, and the manner in which, are stored the actual application and all other documents relating to the sale of a motor vehicle when an electronic motor vehicle dealer files the application for a certificate of title electronically on behalf of the purchaser.

The clerk shall use reasonable diligence in ascertaining whether or not the facts in the application for a certificate of title are true by checking the application and documents accompanying it or the electronic record to which a dealer converted the application and accompanying documents with the records of motor vehicles in the clerk's office. If the clerk is satisfied that

the applicant is the owner of the motor vehicle and that the application is in the proper form, the clerk, within five business days after the application is filed and except as provided in section 4505.021 of the Revised Code, shall issue a physical certificate of title over the clerk's signature and sealed with the clerk's seal, unless the applicant specifically requests the clerk not to issue a physical certificate of title and instead to issue an electronic certificate of title. For purposes of the transfer of a certificate of title, if the clerk is satisfied that the secured party has duly discharged a lien notation but has not canceled the lien notation with a clerk, the clerk may cancel the lien notation on the automated title processing system and notify the clerk of the county of origin.

(4) In the case of the sale of a motor vehicle to a general buyer or user by a dealer, by a motor vehicle leasing dealer selling the motor vehicle to the lessee or, in a case in which the leasing dealer subleased the motor vehicle, the sublessee, at the end of the lease agreement or sublease agreement, or by a manufactured home broker, the certificate of title shall be obtained in the name of the buyer by the dealer, leasing dealer, or manufactured home broker, as the case may be, upon application signed by the buyer. The certificate of title shall be issued, or the process of entering the certificate of title application information into the automated title processing system if a physical certificate of title is not to be issued shall be completed, within five business days after the application for title is filed with the clerk. If the buyer of the motor vehicle previously leased the motor vehicle and is buying the motor vehicle at the end of the lease pursuant to that lease, the certificate of title shall be obtained in the name of the buyer by the motor vehicle leasing dealer who previously leased the motor vehicle to the buyer or by the motor vehicle leasing dealer who subleased the motor vehicle to the buyer under a sublease agreement.

In all other cases, except as provided in section 4505.032 and division (D)(2) of section 4505.11 of the Revised Code, such certificates shall be obtained by the buyer.

(5)(a)(i) If the certificate of title is being obtained in the name of the buyer by a motor vehicle dealer or motor vehicle leasing dealer and there is a security interest to be noted on the certificate of title, the dealer or leasing dealer shall submit the application for the certificate of title and payment of the applicable tax to a clerk within seven business days after the later of the delivery of the motor vehicle to the buyer or the date the dealer or leasing dealer obtains the manufacturer's or importer's certificate, or certificate of title issued in the name of the dealer or leasing dealer, for the motor vehicle. Submission of the application for the certificate of title and payment of the

applicable tax within the required seven business days may be indicated by postmark or receipt by a clerk within that period.

(ii) Upon receipt of the certificate of title with the security interest noted on its face, the dealer or leasing dealer shall forward the certificate of title to the secured party at the location noted in the financing documents or otherwise specified by the secured party.

(iii) A motor vehicle dealer or motor vehicle leasing dealer is liable to a secured party for a late fee of ten dollars per day for each certificate of title application and payment of the applicable tax that is submitted to a clerk more than seven business days but less than twenty-one days after the later of the delivery of the motor vehicle to the buyer or the date the dealer or leasing dealer obtains the manufacturer's or importer's certificate, or certificate of title issued in the name of the dealer or leasing dealer, for the motor vehicle and, from then on, twenty-five dollars per day until the application and applicable tax are submitted to a clerk.

(b) In all cases of transfer of a motor vehicle, the application for certificate of title shall be filed within thirty days after the assignment or delivery of the motor vehicle. If an application for a certificate of title is not filed within the period specified in division (A)(5)(b) of this section, the clerk shall collect a fee of five dollars for the issuance of the certificate, except that no such fee shall be required from a motor vehicle salvage dealer, as defined in division (A) of section 4738.01 of the Revised Code, who immediately surrenders the certificate of title for cancellation. The fee shall be in addition to all other fees established by this chapter, and shall be retained by the clerk. The registrar shall provide, on the certificate of title form prescribed by section 4505.07 of the Revised Code, language necessary to give evidence of the date on which the assignment or delivery of the motor vehicle was made.

(6) As used in division (A) of this section, "lease agreement," "lessee," and "sublease agreement" have the same meanings as in section 4505.04 of the Revised Code.

(B)(1) The clerk, except as provided in this section, shall refuse to accept for filing any application for a certificate of title and shall refuse to issue a certificate of title unless the dealer or manufactured home broker or the applicant, in cases in which the certificate shall be obtained by the buyer, submits with the application payment of the tax levied by or pursuant to Chapters 5739. and 5741. of the Revised Code based on the purchaser's county of residence. Upon payment of the tax in accordance with division (E) of this section, the clerk shall issue a receipt prescribed by the registrar and agreed upon by the tax commissioner showing payment of the tax or a

receipt issued by the commissioner showing the payment of the tax. When submitting payment of the tax to the clerk, a dealer shall retain any discount to which the dealer is entitled under section 5739.12 of the Revised Code.

(2) For receiving and disbursing such taxes paid to the clerk by a resident of the clerk's county, the clerk may retain a poundage fee of one and one one-hundredth per cent, and the clerk shall pay the poundage fee into the certificate of title administration fund created by section 325.33 of the Revised Code. The clerk shall not retain a poundage fee from payments of taxes by persons who do not reside in the clerk's county.

A clerk, however, may retain from the taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county. The registrar, in consultation with the tax commissioner and the clerks of the courts of common pleas, shall develop a report from the automated title processing system that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

(3) In the case of casual sales of motor vehicles, as defined in section 4517.01 of the Revised Code, the price for the purpose of determining the tax shall be the purchase price on the assigned certificate of title executed by the seller and filed with the clerk by the buyer on a form to be prescribed by the registrar, which shall be prima-facie evidence of the amount for the determination of the tax.

(4) Each county clerk shall forward to the treasurer of state all sales and use tax collections resulting from sales of motor vehicles, off-highway motorcycles, and all-purpose vehicles during a calendar week on or before the Friday following the close of that week. If, on any Friday, the offices of the clerk of courts or the state are not open for business, the tax shall be forwarded to the treasurer of state on or before the next day on which the offices are open. Every remittance of tax under division (B)(4) of this section shall be accompanied by a remittance report in such form as the tax commissioner prescribes. Upon receipt of a tax remittance and remittance report, the treasurer of state shall date stamp the report and forward it to the tax commissioner. If the tax due for any week is not remitted by a clerk of courts as required under division (B)(4) of this section, the commissioner may require the clerk to forfeit the poundage fees for the sales made during that week. The treasurer of state may require the clerks of courts to transmit tax collections and remittance reports electronically.

(C)(1) If the transferor indicates on the certificate of title that the

odometer reflects mileage in excess of the designed mechanical limit of the odometer, the clerk shall enter the phrase "exceeds mechanical limits" following the mileage designation. If the transferor indicates on the certificate of title that the odometer reading is not the actual mileage, the clerk shall enter the phrase "nonactual: warning - odometer discrepancy" following the mileage designation. The clerk shall use reasonable care in transferring the information supplied by the transferor, but is not liable for any errors or omissions of the clerk or those of the clerk's deputies in the performance of the clerk's duties created by this chapter.

The registrar shall prescribe an affidavit in which the transferor shall swear to the true selling price and, except as provided in this division, the true odometer reading of the motor vehicle. The registrar may prescribe an affidavit in which the seller and buyer provide information pertaining to the odometer reading of the motor vehicle in addition to that required by this section, as such information may be required by the United States secretary of transportation by rule prescribed under authority of subchapter IV of the "Motor Vehicle Information and Cost Savings Act," 86 Stat. 961 (1972), 15 U.S.C. 1981.

(2) Division (C)(1) of this section does not require the giving of information concerning the odometer and odometer reading of a motor vehicle when ownership of a motor vehicle is being transferred as a result of a bequest, under the laws of intestate succession, to a survivor pursuant to section 2106.18, 2131.12, or 4505.10 of the Revised Code, to a transfer-on-death beneficiary or beneficiaries pursuant to section 2131.13 of the Revised Code, in connection with the creation of a security interest or for a vehicle with a gross vehicle weight rating of more than sixteen thousand pounds.

(D) When the transfer to the applicant was made in some other state or in interstate commerce, the clerk, except as provided in this section, shall refuse to issue any certificate of title unless the tax imposed by or pursuant to Chapter 5741. of the Revised Code based on the purchaser's county of residence has been paid as evidenced by a receipt issued by the tax commissioner, or unless the applicant submits with the application payment of the tax. Upon payment of the tax in accordance with division (E) of this section, the clerk shall issue a receipt prescribed by the registrar and agreed upon by the tax commissioner, showing payment of the tax.

For receiving and disbursing such taxes paid to the clerk by a resident of the clerk's county, the clerk may retain a poundage fee of one and one one-hundredth per cent. The clerk shall not retain a poundage fee from payments of taxes by persons who do not reside in the clerk's county.

A clerk, however, may retain from the taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county. The registrar, in consultation with the tax commissioner and the clerks of the courts of common pleas, shall develop a report from the automated title processing system that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

When the vendor is not regularly engaged in the business of selling motor vehicles, the vendor shall not be required to purchase a vendor's license or make reports concerning those sales.

(E) The clerk shall accept any payment of a tax in cash, or by cashier's check, certified check, draft, money order, or teller check issued by any insured financial institution payable to the clerk and submitted with an application for a certificate of title under division (B) or (D) of this section. The clerk also may accept payment of the tax by corporate, business, or personal check, credit card, electronic transfer or wire transfer, debit card, or any other accepted form of payment made payable to the clerk. The clerk may require bonds, guarantees, or letters of credit to ensure the collection of corporate, business, or personal checks. Any service fee charged by a third party to a clerk for the use of any form of payment may be paid by the clerk from the certificate of title administration fund created in section 325.33 of the Revised Code, or may be assessed by the clerk upon the applicant as an additional fee. Upon collection, the additional fees shall be paid by the clerk into that certificate of title administration fund.

The clerk shall make a good faith effort to collect any payment of taxes due but not made because the payment was returned or dishonored, but the clerk is not personally liable for the payment of uncollected taxes or uncollected fees. The clerk shall notify the tax commissioner of any such payment of taxes that is due but not made and shall furnish the information to the commissioner that the commissioner requires. The clerk shall deduct the amount of taxes due but not paid from the clerk's periodic remittance of tax payments, in accordance with procedures agreed upon by the tax commissioner. The commissioner may collect taxes due by assessment in the manner provided in section 5739.13 of the Revised Code.

Any person who presents payment that is returned or dishonored for any reason is liable to the clerk for payment of a penalty over and above the amount of the taxes due. The clerk shall determine the amount of the penalty, and the penalty shall be no greater than that amount necessary to

compensate the clerk for banking charges, legal fees, or other expenses incurred by the clerk in collecting the returned or dishonored payment. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies. Subsequently collected penalties, poundage fees, and title fees, less any title fee due the state, from returned or dishonored payments collected by the clerk shall be paid into the certificate of title administration fund. Subsequently collected taxes, less poundage fees, shall be sent by the clerk to the treasurer of state at the next scheduled periodic remittance of tax payments, with information as the commissioner may require. The clerk may abate all or any part of any penalty assessed under this division.

(F) In the following cases, the clerk shall accept for filing an application and shall issue a certificate of title without requiring payment or evidence of payment of the tax:

(1) When the purchaser is this state or any of its political subdivisions, a church, or an organization whose purchases are exempted by section 5739.02 of the Revised Code;

(2) When the transaction in this state is not a retail sale as defined by section 5739.01 of the Revised Code;

(3) When the purchase is outside this state or in interstate commerce and the purpose of the purchaser is not to use, store, or consume within the meaning of section 5741.01 of the Revised Code;

(4) When the purchaser is the federal government;

(5) When the motor vehicle was purchased outside this state for use outside this state;

(6) When the motor vehicle is purchased by a nonresident ~~of this state for immediate removal from this state, and will be permanently titled and registered in another state, as provided by division (B)(23) of section 5739.02~~ under the circumstances described in division (B)(1) of section 5739.029 of the Revised Code, and upon presentation of a copy of the affidavit provided by that section, and a copy of the exemption certificate provided by section 5739.03 of the Revised Code.

(G) An application, as prescribed by the registrar and agreed to by the tax commissioner, shall be filled out and sworn to by the buyer of a motor vehicle in a casual sale. The application shall contain the following notice in bold lettering: "WARNING TO TRANSFEROR AND TRANSFEREE (SELLER AND BUYER): You are required by law to state the true selling price. A false statement is in violation of section 2921.13 of the Revised Code and is punishable by six months' imprisonment or a fine of up to one thousand dollars, or both. All transfers are audited by the department of

taxation. The seller and buyer must provide any information requested by the department of taxation. The buyer may be assessed any additional tax found to be due."

(H) For sales of manufactured homes or mobile homes occurring on or after January 1, 2000, the clerk shall accept for filing, pursuant to Chapter 5739. of the Revised Code, an application for a certificate of title for a manufactured home or mobile home without requiring payment of any tax pursuant to section 5739.02, 5741.021, 5741.022, or 5741.023 of the Revised Code, or a receipt issued by the tax commissioner showing payment of the tax. For sales of manufactured homes or mobile homes occurring on or after January 1, 2000, the applicant shall pay to the clerk an additional fee of five dollars for each certificate of title issued by the clerk for a manufactured or mobile home pursuant to division (H) of section 4505.11 of the Revised Code and for each certificate of title issued upon transfer of ownership of the home. The clerk shall credit the fee to the county certificate of title administration fund, and the fee shall be used to pay the expenses of archiving those certificates pursuant to division (A) of section 4505.08 and division (H)(3) of section 4505.11 of the Revised Code. The tax commissioner shall administer any tax on a manufactured or mobile home pursuant to Chapters 5739. and 5741. of the Revised Code.

(I) Every clerk shall have the capability to transact by electronic means all procedures and transactions relating to the issuance of motor vehicle certificates of title that are described in the Revised Code as being accomplished by electronic means.

Sec. 4508.10. (A) A driver training school shall issue a certificate of completion to each person who successfully completes a course of instruction necessary to obtain or maintain a driver's license. The department of public safety shall provide each driver training school with the certificate of completion forms.

(B) The fee for each driver's license certificate of completion provided by the department to a driver training school is four dollars. The director of public safety shall deposit the fees collected under this section into the state treasury to the credit of the state highway safety fund created in section ~~4501.16~~ 4501.06 of the Revised Code.

(C) As used in this section, "driver's license" has the same meaning as in section 4507.01 of the Revised Code.

Sec. 4511.093. (A)(1) No law enforcement officer who stops the operator of a motor vehicle in the course of an authorized sobriety or other motor vehicle checkpoint operation or a motor vehicle safety inspection shall issue a ticket, citation, or summons for a secondary traffic offense

unless in the course of the checkpoint operation or safety inspection the officer first determines that an offense other than a secondary traffic offense has occurred and either places the operator or a vehicle occupant under arrest or issues a ticket, citation, or summons to the operator or a vehicle occupant for an offense other than a secondary offense.

(2) A law enforcement agency that operates a motor vehicle checkpoint for an express purpose related to a secondary traffic offense shall not issue a ticket, citation, or summons for any secondary traffic offense at such a checkpoint, but may use such a checkpoint operation to conduct a public awareness campaign and distribute information.

(B) As used in this section, "secondary traffic offense" means a violation of division (A) or (F)(2) of section 4507.05, division (B)(1)(a) or (b) or (E) of section 4507.071, division (C) of section 4511.81, or division (B) of section 4513.263 of the Revised Code.

Sec. 4513.241. (A) The director of public safety, in accordance with Chapter 119. of the Revised Code, shall adopt rules governing the use of tinted glass, and the use of transparent, nontransparent, translucent, and reflectorized materials in or on motor vehicle windshields, side windows, sidewings, and rear windows that prevent a person of normal vision looking into the motor vehicle from seeing or identifying persons or objects inside the motor vehicle.

(B) The rules adopted under this section may provide for persons who meet either of the following qualifications:

(1) On November 11, 1994, or the effective date of any rule adopted under this section, own a motor vehicle that does not conform to the requirements of this section or of any rule adopted under this section;

(2) Establish residency in this state and are required to register a motor vehicle that does not conform to the requirements of this section or of any rule adopted under this section.

(C) No person shall operate, on any highway or other public or private property open to the public for vehicular travel or parking, lease, or rent any motor vehicle that is registered in this state unless the motor vehicle conforms to the requirements of this section and of any applicable rule adopted under this section.

(D) No person shall install in or on any motor vehicle, any glass or other material that fails to conform to the requirements of this section or of any rule adopted under this section.

(E) No used motor vehicle dealer or new motor vehicle dealer, as defined in section 4517.01 of the Revised Code, shall sell any motor vehicle that fails to conform to the requirements of this section or of any rule

adopted under this section.

(F) No reflectorized materials shall be permitted upon or in any front windshield, side windows, sidewings, or rear window.

(G) This section does not apply to the manufacturer's tinting or glazing of motor vehicle windows or windshields that is otherwise in compliance with or permitted by federal motor vehicle safety standard number two hundred five.

(H) With regard to any side window behind a driver's seat or any rear window other than any window on an emergency door, this section does not apply to any school bus used to transport a ~~handicapped~~ child with disabilities pursuant to ~~a special education program under~~ Chapter 3323. of the Revised Code, whom it is impossible or impractical to transport by regular school bus in the course of regular route transportation provided by a school district. As used in this division, "~~handicapped~~ child with disabilities" and "~~special education program~~" have has the same ~~meanings~~ meaning as in section 3323.01 of the Revised Code.

(I) This section does not apply to any school bus that is to be sold and operated outside this state.

(J) Whoever violates division (C), (D), (E), or (F) of this section is guilty of a minor misdemeanor.

Sec. 4513.263. (A) As used in this section and in section 4513.99 of the Revised Code:

(1) "Automobile" means any commercial tractor, passenger car, commercial car, or truck that is required to be factory-equipped with an occupant restraining device for the operator or any passenger by regulations adopted by the United States secretary of transportation pursuant to the "National Traffic and Motor Vehicle Safety Act of 1966," 80 Stat. 719, 15 U.S.C.A. 1392.

(2) "Occupant restraining device" means a seat safety belt, shoulder belt, harness, or other safety device for restraining a person who is an operator of or passenger in an automobile and that satisfies the minimum federal vehicle safety standards established by the United States department of transportation.

(3) "Passenger" means any person in an automobile, other than its operator, who is occupying a seating position for which an occupant restraining device is provided.

(4) "Commercial tractor," "passenger car," and "commercial car" have the same meanings as in section 4501.01 of the Revised Code.

(5) "Vehicle" and "motor vehicle," as used in the definitions of the terms set forth in division (A)(4) of this section, have the same meanings as

in section 4511.01 of the Revised Code.

(6) "Tort action" means a civil action for damages for injury, death, or loss to person or property. "Tort action" includes a product liability claim, as defined in section 2307.71 of the Revised Code, and an asbestos claim, as defined in section 2307.91 of the Revised Code, but does not include a civil action for damages for breach of contract or another agreement between persons.

(B) No person shall do any of the following:

(1) Operate an automobile on any street or highway unless that person is wearing all of the available elements of a properly adjusted occupant restraining device, or operate a school bus that has an occupant restraining device installed for use in its operator's seat unless that person is wearing all of the available elements of the device, as properly adjusted;

(2) Operate an automobile on any street or highway unless each passenger in the automobile who is subject to the requirement set forth in division (B)(3) of this section is wearing all of the available elements of a properly adjusted occupant restraining device;

(3) Occupy, as a passenger, a seating position on the front seat of an automobile being operated on any street or highway unless that person is wearing all of the available elements of a properly adjusted occupant restraining device;

(4) Operate a taxicab on any street or highway unless all factory-equipped occupant restraining devices in the taxicab are maintained in usable form.

(C) Division (B)(3) of this section does not apply to a person who is required by section 4511.81 of the Revised Code to be secured in a child restraint device. Division (B)(1) of this section does not apply to a person who is an employee of the United States postal service or of a newspaper home delivery service, during any period in which the person is engaged in the operation of an automobile to deliver mail or newspapers to addressees. Divisions (B)(1) and (3) of this section do not apply to a person who has an affidavit signed by a physician licensed to practice in this state under Chapter 4731. of the Revised Code or a chiropractor licensed to practice in this state under Chapter 4734. of the Revised Code that states that the person has a physical impairment that makes use of an occupant restraining device impossible or impractical.

(D) Notwithstanding any provision of law to the contrary, no law enforcement officer shall cause an operator of an automobile being operated on any street or highway to stop the automobile for the sole purpose of determining whether a violation of division (B) of this section has been or is

being committed or for the sole purpose of issuing a ticket, citation, or summons for a violation of that nature or causing the arrest of or commencing a prosecution of a person for a violation of that nature, and no law enforcement officer shall view the interior or visually inspect any automobile being operated on any street or highway for the sole purpose of determining whether a violation of that nature has been or is being committed.

(E) All fines collected for violations of division (B) of this section, or for violations of any ordinance or resolution of a political subdivision that is substantively comparable to that division, shall be forwarded to the treasurer of state for deposit as follows:

(1) Eight per cent shall be deposited into the seat belt education fund, which is hereby created in the state treasury, and shall be used by the department of public safety to establish a seat belt education program.

(2) Eight per cent shall be deposited into the elementary school program fund, which is hereby created in the state treasury, and shall be used by the department of public safety to establish and administer elementary school programs that encourage seat safety belt use.

(3) Two per cent shall be deposited into the ~~Ohio medical transportation trust~~ occupational licensing and regulatory fund created by section ~~4766.05~~ 4743.05 of the Revised Code.

(4) Twenty-eight per cent shall be deposited into the trauma and emergency medical services fund, which is hereby created in the state treasury, and shall be used by the department of public safety for the administration of the division of emergency medical services and the state board of emergency medical services.

(5) Fifty-four per cent shall be deposited into the trauma and emergency medical services grants fund, which is hereby created in the state treasury, and shall be used by the state board of emergency medical services to make grants, in accordance with section 4765.07 of the Revised Code and rules the board adopts under section 4765.11 of the Revised Code.

(F)(1) Subject to division (F)(2) of this section, the failure of a person to wear all of the available elements of a properly adjusted occupant restraining device in violation of division (B)(1) or (3) of this section or the failure of a person to ensure that each minor who is a passenger of an automobile being operated by that person is wearing all of the available elements of a properly adjusted occupant restraining device in violation of division (B)(2) of this section shall not be considered or used by the trier of fact in a tort action as evidence of negligence or contributory negligence. But, the trier of fact may determine based on evidence admitted consistent

with the Ohio ~~rules~~ Rules of ~~evidence~~ Evidence that the failure contributed to the harm alleged in the tort action and may diminish a recovery of compensatory damages that represents noneconomic loss, as defined in section 2307.011 of the Revised Code, in a tort action that could have been recovered but for the plaintiff's failure to wear all of the available elements of a properly adjusted occupant restraining device. Evidence of that failure shall not be used as a basis for a criminal prosecution of the person other than a prosecution for a violation of this section; and shall not be admissible as evidence in a criminal action involving the person other than a prosecution for a violation of this section.

(2) If, at the time of an accident involving a passenger car equipped with occupant restraining devices, any occupant of the passenger car who sustained injury or death was not wearing an available occupant restraining device, was not wearing all of the available elements of such a device, or was not wearing such a device as properly adjusted, then, consistent with the Rules of Evidence, the fact that the occupant was not wearing the available occupant restraining device, was not wearing all of the available elements of such a device, or was not wearing such a device as properly adjusted is admissible in evidence in relation to any claim for relief in a tort action to the extent that the claim for relief satisfies all of the following:

(a) It seeks to recover damages for injury or death to the occupant.

(b) The defendant in question is the manufacturer, designer, distributor, or seller of the passenger car.

(c) The claim for relief against the defendant in question is that the injury or death sustained by the occupant was enhanced or aggravated by some design defect in the passenger car or that the passenger car was not crashworthy.

(G)(1) Whoever violates division (B)(1) of this section shall be fined thirty dollars.

(2) Whoever violates division (B)(3) of this section shall be fined twenty dollars.

(3) Except as otherwise provided in this division, whoever violates division (B)(4) of this section is guilty of a minor misdemeanor. If the offender previously has been convicted of or pleaded guilty to a violation of division (B)(4) of this section, whoever violates division (B)(4) of this section is guilty of a misdemeanor of the third degree.

Sec. 4513.35. (A) All fines collected under sections 4511.01 to 4511.78, 4511.99, and 4513.01 to 4513.37 of the Revised Code shall be paid into the county treasury and, with the exception of that portion distributed under section 3375.53 of the Revised Code, shall be placed to the credit of the

fund for the maintenance and repair of the highways within that county, except that:

(1) All fines for violations of division (B) of section 4513.263 shall be delivered to the treasurer of state as provided in division (E) of section 4513.263 of the Revised Code.

(2) All fines collected from, or moneys arising from bonds forfeited by, persons apprehended or arrested by state highway patrolmen shall be distributed as provided in section 5503.04 of the Revised Code.

(3)(a) Subject to division (E) of section 4513.263 of the Revised Code and except as otherwise provided in division (A)(3)(b) of this section, one-half of all fines collected from, and one-half of all moneys arising from bonds forfeited by, persons apprehended or arrested by a township constable or other township police officer shall be paid to the township treasury to be placed to the credit of the general fund.

(b) All fines collected from, and all moneys arising from bonds forfeited by, persons apprehended or arrested by a township constable or other township police officer pursuant to division (B)(2) of section 4513.39 of the Revised Code for a violation of section 4511.21 of the Revised Code or any other law, ordinance, or regulation pertaining to speed that occurred on a highway included as part of the interstate system, as defined in section 5516.01 of the Revised Code, shall be paid into the county treasury and be credited as provided in the first paragraph of this section.

(B) Notwithstanding any other provision of this section or of any other section of the Revised Code:

(1) All fines collected from, and all moneys arising from bonds forfeited by, persons arrested under division (E)(1) or (2) of section 2935.03 of the Revised Code are deemed to be collected, and to arise, from arrests made within the jurisdiction in which the arresting officer is appointed, elected, or employed, for violations of one of the sections or chapters of the Revised Code listed in division (E)(1) of that section and shall be distributed accordingly.

(2) All fines collected from, and all moneys arising from bonds forfeited by, persons arrested under division (E)(3) of section 2935.03 of the Revised Code are deemed to be collected, and to arise, from arrests made within the jurisdiction in which the arresting officer is appointed, elected, or employed, for violations of municipal ordinances that are substantially equivalent to one of the sections or one of the provisions of one of the chapters of the Revised Code listed in division (E)(1) of that section and for violations of one of the sections or one of the provisions of one of the chapters of the Revised Code listed in division (E)(1) of that section, and shall be

distributed accordingly.

Sec. 4517.261. A motor vehicle dealer may contract for and receive a documentary service charge for a retail or wholesale sale or lease of a motor vehicle. A documentary service charge shall be specified in writing without itemization of the individual services provided. A documentary service charge shall be not more than the lesser of the following:

(A) The amount allowed in a retail installment sale;

(B) Ten per cent of the amount the buyer or lessee is required to pay pursuant to the contract, excluding tax, title, and registration fees, and any negative equity adjustment.

Sec. 4703.071. (A) The state board of examiners of architects shall establish and maintain and administer an architecture education assistance program to pay applicant enrollment fees for the internship program required of applicants by section 4703.07 of the Revised Code.

(B) The board shall adopt rules in accordance with Chapter 119. of the Revised Code to establish all of the following:

(1) Applicant eligibility criteria for receipt of internship program enrollment fees, which must include a requirement that applicants be enrolled in an architecture education program at an institution within the state that has been approved by the board and accredited by the national architectural accrediting board, and may include a requirement that the applicant has completed a minimum amount of course work in the program as prescribed by the state board by rule;

(2) Application procedures for payment of internship program enrollment fees;

(3) The maximum amount of internship program enrollment fees that may be provided by the architecture education assistance program to an applicant;

(4) The total amount of internship program enrollment fees that may be disbursed by the architecture education assistance program in any given fiscal year;

(5) The means by which other matters incidental to the operation of the program may be approved, including the means to authorize necessary expenses for the operation of the architecture education assistance program.

(C) The receipt of internship program enrollment fees under this section shall not affect a student's eligibility for any other assistance, or the amount of that assistance.

Sec. 4715.251. Each person licensed to practice as a dental hygienist and required to register with the state dental board shall, each time ~~he~~ the person applies for renewal of registration beginning in 1995, be currently

certified to perform basic life-support procedures by having successfully completed a basic life-support training course certified by ~~either~~ the American red cross ~~or~~, the American heart association, or, if determined equivalent by the board, the American safety and health institute. An applicant for renewal of registration shall certify on the application for renewal of registration prescribed by the board under section 4715.24 of the Revised Code that ~~he~~ the applicant possesses the certification required by this section.

The board shall, not later than one hundred eighty days after the effective date of this amendment, determine whether basic life-support training certified by the American safety and health institute meets national standards. The board shall compare the training certified by the institute with the training certified by the American red cross and the American heart association and the training of instructors certified by the institute to the training of instructors certified by the American red cross and the American heart association.

If the board determines that the training certified by the American safety and health institute meets national standards and is equivalent to the training certified by the American red cross and the American heart association, the board shall accept training certified by the American safety and health institute in fulfillment of the requirements of this section.

Sec. 4717.07. (A) The board of embalmers and funeral directors shall charge and collect the following fees:

(1) For the initial issuance or biennial renewal of an embalmer's or funeral director's license, one hundred forty dollars;

(2) For the issuance of an embalmer or funeral director registration, twenty-five dollars;

(3) For filing an embalmer or funeral director certificate of apprenticeship, ten dollars;

(4) For the application to take the examination for a license to practice as an embalmer or funeral director, or to retake a section of the examination, thirty-five dollars;

(5) For the initial issuance of a license to operate a funeral home, two hundred fifty dollars and biennial renewal of a license to operate a funeral home, two hundred fifty dollars;

(6) For the reinstatement of a lapsed embalmer's or funeral director's license, the renewal fee prescribed in division (A)~~(5)~~(1) of this section plus fifty dollars for each month or portion of a month the license is lapsed until reinstatement;

(7) For the reinstatement of a lapsed license to operate a funeral home,

the renewal fee prescribed in division (A)~~(6)~~(5) of this section plus fifty dollars for each month or portion of a month the license is lapsed until reinstatement;

(8) For the initial issuance of a license to operate an embalming facility, two hundred dollars and biennial renewal of a license to operate an embalming facility, two hundred dollars;

(9) For the reinstatement of a lapsed license to operate an embalming facility, the renewal fee prescribed in division (A)~~(9)~~(8) of this section plus fifty dollars for each month or portion of a month the license is lapsed until reinstatement;

(10) For the initial issuance of a license to operate a crematory facility, two hundred dollars and biennial renewal of a license to operate a crematory facility, two hundred dollars;

(11) For the reinstatement of a lapsed license to operate a crematory facility, the renewal fee prescribed in division (A)~~(11)~~(10) of this section plus fifty dollars for each month or portion of a month the license is lapsed until reinstatement;

(12) For the issuance of a duplicate of a license issued under this chapter, four dollars.

(B) In addition to the fees set forth in division (A) of this section, an applicant shall pay the examination fee assessed by any examining agency the board uses for any section of an examination required under this chapter.

(C) Subject to the approval of the controlling board, the board of embalmers and funeral directors may establish fees in excess of the amounts set forth in this section, provided that these fees do not exceed the amounts set forth in this section by more than fifty per cent.

Sec. 4723.32. This chapter does not prohibit any of the following:

(A) The practice of nursing by a student currently enrolled in and actively pursuing completion of a prelicensure nursing education program ~~approved by the board of nursing~~, if all of the following are the case:

(1) The student is participating in a program located in this state and approved by the board of nursing or participating in this state in a component of a program located in another jurisdiction and approved by a board that is a member of the national council of state boards of nursing;

(2) The student's practice is under the auspices of the program and the;

(3) The student acts under the supervision of a registered nurse serving for the program as a faculty member or teaching assistant;

(B) The rendering of medical assistance to a licensed physician, licensed dentist, or licensed podiatrist by a person under the direction, supervision, and control of such licensed physician, dentist, or podiatrist;

(C) The activities of persons employed as nursing aides, attendants, orderlies, or other auxiliary workers in patient homes, nurseries, nursing homes, hospitals, home health agencies, or other similar institutions;

(D) The provision of nursing services to family members or in emergency situations;

(E) The care of the sick when done in connection with the practice of religious tenets of any church and by or for its members;

(F) The practice of nursing as a certified registered nurse anesthetist, clinical nurse specialist, certified nurse-midwife, or certified nurse practitioner by a student currently enrolled in and actively pursuing completion of a program of study leading to initial authorization by the board of nursing to practice nursing in the specialty, if ~~both~~ all of the following are the case:

(1) The program qualifies the student to sit for the examination of a national certifying organization listed in division (A)(3) of section 4723.41 of the Revised Code or approved by the board under section 4723.46 of the Revised Code or the program prepares the student to receive a master's degree in accordance with division (A)(2) of section 4723.41 of the Revised Code;

(2) The student's practice is under the auspices of the program ~~and the~~;

(3) The student acts under the supervision of a registered nurse serving for the program as a faculty member, teaching assistant, or preceptor.

(G) The activities of an individual who currently holds a license to practice nursing in another jurisdiction, if the individual's license has not been revoked, the individual is not currently under suspension or on probation, the individual does not represent the individual as being licensed under this chapter, and one of the following is the case:

(1) The individual is engaging in the practice of nursing by discharging official duties while employed by or under contract with the United States government or any agency thereof;

(2) The individual is engaging in the practice of nursing as an employee of an individual, agency, or corporation located in the other jurisdiction in a position with employment responsibilities that include transporting patients into, out of, or through this state, as long as each trip in this state does not exceed seventy-two hours;

(3) The individual is consulting with an individual licensed in this state to practice any health-related profession;

(4) The individual is engaging in activities associated with teaching in this state as a guest lecturer at or for a nursing education program, continuing nursing education program, or in-service presentation;

(5) The individual is conducting evaluations of nursing care that are undertaken on behalf of an accrediting organization, including the national league for nursing accrediting committee, the joint commission on accreditation of healthcare organizations, or any other nationally recognized accrediting organization;

(6) The individual is providing nursing care to an individual who is in this state on a temporary basis, not to exceed six months in any one calendar year, if the nurse is directly employed by or under contract with the individual or a guardian or other person acting on the individual's behalf;

(7) The individual is providing nursing care during any disaster, natural or otherwise, that has been officially declared to be a disaster by a public announcement issued by an appropriate federal, state, county, or municipal official.

(H) The administration of medication by an individual who holds a valid medication aide certificate issued under this chapter, if the medication is administered to a resident of a nursing home or residential care facility authorized by section 4723.63 or 4723.64 of the Revised Code to use a certified medication aide and the medication is administered in accordance with section 4723.67 of the Revised Code.

Sec. 4723.621. The medication aide advisory council created under section 4723.62 of the Revised Code shall make recommendations to the board of nursing with respect to all of the following:

(A) The design and operation of the medication aide pilot program conducted under section 4723.63 of the Revised Code, including a method of collecting data through reports submitted by participating nursing homes and residential care facilities;

(B) The content of the course of instruction required to obtain certification as a medication aide, including the examination to be used to evaluate the ability to administer prescription medications safely and the score that must be attained to pass the examination;

(C) Whether medication aides may administer prescription medications through a gastrostomy or jejunostomy tube and the amount and type of training a medication aide needs to be adequately prepared to administer prescription medications through a gastrostomy or jejunostomy tube;

(D) Protection of the health and welfare of the residents of nursing homes and residential care facilities participating in the pilot program and using medication aides pursuant to section 4723.64 of the Revised Code ~~on~~ ~~or after July 1, 2007;~~

(E) The board's adoption of rules under section 4723.69 of the Revised Code;

(F) Any other issue the council considers relevant to the use of medication aides in nursing homes and residential care facilities.

Sec. 4723.63. (A) In consultation with the medication aide advisory council established under section 4723.62 of the Revised Code, the board of nursing shall conduct a pilot program for the use of medication aides in nursing homes and residential care facilities. The board shall conduct the pilot program in a manner consistent with human protection and other ethical concerns typically associated with research studies involving live subjects. The pilot program shall be commenced not later than May 1, 2006, and shall ~~be conducted until July 1, 2007~~ end on the thirty-first day after the report required by division (F)(2) of this section is submitted in accordance with that division.

During the period the pilot program is conducted, a nursing home or residential care facility participating in the pilot program may use one or more medication aides to administer prescription medications to its residents, subject to ~~both~~ all of the following conditions:

(1) Each individual used as a medication aide must hold a current, valid medication aide certificate issued by the board of nursing under this chapter.

(2) The nursing home or residential care facility shall ensure that the requirements of section 4723.67 of the Revised Code are met.

(3) The nursing home or residential care facility shall submit to the board, not later than the thirty-first day after the day the board makes its request under division (F)(1)(a) of this section, the data required by division (F)(1)(a) of this section.

(B) The board, in consultation with the medication aide advisory council, shall do all of the following not later than February 1, 2006:

(1) Design the pilot program;

(2) Establish standards to govern medication aides and the nursing homes and residential care facilities participating in the pilot program, including standards for the training of medication aides and the staff of participating nursing homes and residential care facilities;

(3) Establish standards to protect the health and safety of the residents of the nursing homes and residential care facilities participating in the program;

(4) Implement a process for selecting the nursing homes and residential care facilities to participate in the program.

(C)(1) A nursing home or residential care facility may volunteer to participate in the pilot program by submitting an application to the board on a form prescribed and provided by the board. From among the applicants, the board shall select eighty nursing homes and forty residential care

facilities to participate in the pilot program. When the board denies an application, it shall notify, in writing, the president and minority leader of the senate and the speaker and minority leader of the house of representatives of the denial and the reasons for the denial.

(2) To be eligible to participate, a nursing home or residential care facility shall agree to observe the standards established by the board for the use of medication aides. A nursing home is eligible to participate only if the department of health has found in the ~~two~~ most recent ~~surveys~~ survey or ~~inspections~~ inspection of the home that the home is free from deficiencies related to the administration of medication. A residential care facility is eligible to participate only if the department has found that the facility is free from deficiencies related to the provision of skilled nursing care or the administration of medication.

(D) As a condition of participation in the pilot program, a nursing home and residential care facility selected by the board shall pay the participation fee established in rules adopted under section 4723.69 of the Revised Code. The participation fee is not reimbursable under the medicaid program established under Chapter 5111. of the Revised Code.

(E) On receipt of evidence found credible by the board that continued participation by a nursing home or residential care facility poses an imminent danger, risk of serious harm, or jeopardy to a resident of the home or facility, the board may terminate the authority of the home or facility to participate in the pilot program.

(F)(1) With the assistance of the medication aide advisory council, the board shall conduct an evaluation of the pilot program. In conducting the evaluation, the board shall do all of the following:

(a) Request from each nursing home and residential care facility participating in the pilot program, on the ninety-first day after the day the board issues a medication aide certificate under section 4723.651 of the Revised Code to the seventy-fifth individual, the data the board requires participating nursing homes and residential care facilities to report under rules the board adopts under section 4723.69 of the Revised Code.

(b) Assess whether medication aides are able to administer prescription medications safely to nursing home and residential care facility residents;

~~(b)~~(c) Determine the financial implications of using medication aides in nursing homes and residential care facilities;

~~(c)~~(d) Consider any other issue the board or council considers relevant to the evaluation.

(2) Not later than ~~March 1, 2007~~ the one hundred eighty-first day after the day the board issues a medication aide certificate under section 4723.651

of the Revised Code to the seventy-fifth individual, the board shall prepare a report of its findings and recommendations derived from the evaluation of the pilot program. The board shall submit the report to the governor, president and minority leader of the senate, speaker and minority leader of the house of representatives, and director of health.

(G) The board shall, on the day it issues a medication aide certificate to the seventy-fifth individual, post a notice on its web site indicating the date on which any nursing home or residential care facility may use medication aides in accordance with section 4723.64 of the Revised Code.

Sec. 4723.64. On and after ~~July 1, 2007~~ the thirty-first day following the board of nursing's submission of the report required by division (F)(2) of section 4723.63 of the Revised Code, any nursing home or residential care facility may use one or more medication aides to administer prescription medications to its residents, subject to both of the following conditions:

(A) Each individual used as a medication aide must hold a current, valid medication aide certificate issued by the board of nursing under this chapter.

(B) The nursing home or residential care facility shall ensure that the requirements of section 4723.67 of the Revised Code are met.

Sec. 4723.65. (A) An individual seeking certification as a medication aide shall apply to the board of nursing on a form prescribed and provided by the board. If the application is submitted on or after ~~July 1, 2007~~ the day any nursing home or residential care facility may initially use medication aides as specified in section 4723.64 of the Revised Code, the application shall be accompanied by the certification fee established in rules adopted under section 4723.69 of the Revised Code.

(B)(1) Except as provided in division (B)(2) of this section, an applicant for a medication aide certificate shall submit a request to the bureau of criminal identification and investigation for a criminal records check. The request shall be on the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and shall be accompanied by a standard impression sheet to obtain fingerprints prescribed pursuant to division (C)(2) of that section. The request shall also be accompanied by the fee prescribed pursuant to division (C)(3) of section 109.572 of the Revised Code. On receipt of the completed form, the completed impression sheet, and the fee, the bureau shall conduct a criminal records check of the applicant. On completion of the criminal records check, the bureau shall send the results of the check to the board. An applicant requesting a criminal records check under this division who has not lived in this state for at least five years shall ask the superintendent of the bureau of criminal identification and investigation to also request that the federal bureau of investigation provide

the superintendent with any information it has with respect to the applicant.

(2) If a criminal records check of an applicant was completed pursuant to section 3721.121 of the Revised Code not more than five years prior to the date the application is submitted, the applicant may include a certified copy of the criminal records check completed pursuant to that section and is not required to comply with division (B)(1) of this section.

(3) A criminal records check provided to the board in accordance with division (B)(1) or (B)(2) of this section shall not be made available to any person or for any purpose other than the following:

(a) The results may be made available to any person for use in determining whether the individual who is the subject of the check should be issued a medication aide certificate.

(b) The results may be made available to the person who is the subject of the check or a representative of that person.

Sec. 4723.66. (A) A person or government entity seeking approval to provide a medication aide training program shall apply to the board of nursing on a form prescribed and provided by the board. If the application is submitted on or after ~~July 1, 2007~~ the day any nursing home or residential care facility may initially use medication aides as specified in section 4723.64 of the Revised Code, the application shall be accompanied by the fee established in rules adopted under section 4723.69 of the Revised Code.

(B) The board shall approve the applicant to provide a medication aide training program if the content of the course of instruction to be provided by the program meets the standards specified by the board in rules adopted under section 4723.69 of the Revised Code and includes all of the following:

(1) At least seventy clock-hours of instruction, including both classroom instruction on medication administration and at least twenty clock-hours of supervised clinical practice in medication administration;

(2) A mechanism for evaluating whether an individual's reading, writing, and mathematical skills are sufficient for the individual to be able to administer prescription medications safely;

(3) An examination that tests the ability to administer prescription medications safely and that meets the requirements established by the board in rules adopted under section 4723.69 of the Revised Code.

(C) The board may deny, suspend, or revoke the approval granted to the provider of a medication aide training program for reasons specified in rules adopted under section 4723.69 of the Revised Code. All actions taken by the board to deny, suspend, or revoke the approval of a training program shall be taken in accordance with Chapter 119. of the Revised Code.

Sec. 4731.053. (A) As used in this section, "physician" means an

individual authorized by this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery.

(B) The state medical board shall adopt rules that establish standards to be met and procedures to be followed by a physician with respect to the physician's delegation of the performance of a medical task to a person who is not licensed or otherwise specifically authorized by the Revised Code to perform the task. The rules shall be adopted in accordance with Chapter 119. of the Revised Code and shall include a coroner's investigator among the individuals who are competent to recite the facts of a deceased person's medical condition to a physician so that the physician may pronounce the person dead without personally examining the body.

(C) To the extent that delegation applies to the administration of drugs, the rules adopted under this section shall provide for all of the following:

(1) On-site supervision when the delegation occurs in an institution or other facility that is used primarily for the purpose of providing health care, unless the board establishes a specific exception to the on-site supervision requirement with respect to routine administration of a topical drug, such as the use of a medicated shampoo;

(2) Evaluation of whether delegation is appropriate according to the acuity of the patient involved;

(3) Training and competency requirements that must be met by the person administering the drugs;

(4) Other standards and procedures the board considers relevant.

(D) The board shall not adopt rules that do any of the following:

(1) Authorize a physician to transfer the physician's responsibility for supervising a person who is performing a delegated medical task to a health professional other than another physician;

(2) Authorize an individual to whom a medical task is delegated to delegate the performance of that task to another individual;

(3) Except as provided in divisions (D)(4) to (7) of this section, authorize a physician to delegate the administration of anesthesia, controlled substances, drugs administered intravenously, or any other drug or category of drug the board considers to be inappropriate for delegation;

(4) Prevent an individual from engaging in an activity performed for a ~~handicapped~~ child with a disability as a service needed to meet the educational needs of the child, as identified in the individualized education program developed for the child under Chapter 3323. of the Revised Code;

(5) Conflict with any provision of the Revised Code that specifically authorizes an individual to perform a particular task;

(6) Conflict with any rule adopted pursuant to the Revised Code that is

in effect on April 10, 2001, as long as the rule remains in effect, specifically authorizing an individual to perform a particular task;

(7) Prohibit a perfusionist from administering drugs intravenously while practicing as a perfusionist;

(8) Authorize a physician assistant, anesthesiologist assistant, or any other professional regulated by the board to delegate tasks pursuant to this section.

Sec. 4731.142. (A) Except as provided in division (B) of this section, an individual must demonstrate proficiency in spoken English, by passing an examination specified by the state medical board, to receive a certificate to practice issued under section 4731.14 of the Revised Code if the individual's eligibility for the certificate is based in part on certification from the educational commission for foreign medical graduates and fulfillment of the undergraduate requirements established by section 4731.09 of the Revised Code at an institution outside the United States. ~~The individual may demonstrate such proficiency by obtaining a score of forty or higher on the test of spoken English conducted by the educational testing service~~ The board shall adopt rules specifying an acceptable examination and establishing the minimum score that demonstrates proficiency in spoken English.

(B) An individual is not required to demonstrate proficiency in spoken English in accordance with division (A) of this section if the individual was required to demonstrate such proficiency as a condition of certification from the educational commission for foreign medical graduates.

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~~ seventy-five days after completion of its hearing. A failure to issue the order within ~~sixty~~ seventy-five 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. 4735.10. (A)(1) The Ohio real estate commission may adopt reasonable rules in accordance with Chapter 119. of the Revised Code, necessary for implementing the provisions of this chapter relating, but not limited to, the following:

- (a) The form and manner of filing applications for license;
- (b) Times and form of examination for license;
- (c) Placing an existing broker's license on deposit or a salesperson's license on an inactive status for an indefinite period.

(2) The commission shall adopt reasonable rules in accordance with Chapter 119. of the Revised Code, for implementing the provisions of this chapter relating to the following:

- (a) The issuance, renewal, suspension, and revocation of licenses, other sanctions that may be imposed for violations of this chapter, the conduct of hearings related to these actions, and the process of reactivating a license;

(b) By not later than January 1, 2004, a three-year license and a three-year license renewal system;

(c) Standards for the approval of courses of study required for licenses, or offered in preparation for license examinations, or required as continuing education for licenses. ~~The rules shall specify that no standard for the approval of a course of study required as continuing education for licensees shall require that licensees pass an examination as a condition for the successful completion of a continuing education requirement. A person providing a continuing education course may administer examinations for the purpose of evaluating the effectiveness of the course.~~

(d) Guidelines to ensure that continuing education classes are open to all persons licensed under this chapter. The rules shall specify that an organization that sponsors a continuing education class may offer its members a reasonable reduction in the fees charged for the class.

(e) Requirements for trust accounts and property management accounts. The rules shall specify that:

(i) Brokerages engaged in the management of property for another may, pursuant to a written contract with the property owner, exercise signatory authority for withdrawals from property management accounts maintained in the name of the property owner. The exercise of authority for withdrawals does not constitute a violation of any provision of division (A) of section 4735.18 of the Revised Code.

(ii) The interest earned on property management trust accounts maintained in the name of the property owner or the broker shall be payable to the property owner unless otherwise specified in a written contract.

(f) Notice of renewal forms and filing deadlines;

(g) Special assessments under division (A) of section 4735.12 of the Revised Code.

(B) The commission may adopt rules in accordance with Chapter 119. of the Revised Code establishing standards and guidelines with which the superintendent of real estate shall comply in the exercise of the following powers:

(1) Appointment and recommendation of ancillary trustees under section 4735.05 of the Revised Code;

(2) Rejection of names proposed to be used by partnerships, associations, limited liability companies, limited liability partnerships, and corporations, under division (A) of section 4735.06 of the Revised Code;

(3) Acceptance and rejection of applications to take the broker and salesperson examinations and licensure, with appropriate waivers pursuant to division (E) of section 4735.07 and section 4735.09 of the Revised Code;

(4) Approval of applications of brokers to place their licenses on deposit and to become salespersons under section 4735.13 of the Revised Code;

(5) Appointment of hearing examiners under section 119.09 of the Revised Code;

(6) Acceptance and rejection of applications to take the foreign real estate dealer and salesperson examinations and licensure, with waiver of examination, under sections 4735.27 and 4735.28 of the Revised Code;

(7) Qualification of foreign real estate under section 4735.25 of the Revised Code.

If at any time there is no rule in effect establishing a guideline or standard required by this division, the superintendent may adopt a rule in accordance with Chapter 119. of the Revised Code for such purpose.

(C) The commission or superintendent may hear testimony in matters relating to the duties imposed upon them, and the president of the commission and superintendent may administer oaths. The commission or superintendent may require other proof of the honesty, truthfulness, and good reputation of any person named in an application for a real estate broker's or real estate salesperson's license before admitting the applicant to the examination or issuing a license.

Sec. 4735.141. (A) Except as otherwise provided in this division, each person licensed under section 4735.07 or 4735.09 of the Revised Code shall submit proof satisfactory to the superintendent of real estate that the licensee

has satisfactorily completed thirty hours of continuing education, as prescribed by the Ohio real estate commission pursuant to section 4735.10 of the Revised Code, on or before the licensee's birthday occurring three years after the licensee's date of initial licensure, and on or before the licensee's birthday every three years thereafter.

Persons licensed as real estate salespersons who subsequently become licensed real estate brokers shall continue to submit proof of continuing education in accordance with the time period established in this section.

The requirements of this section shall not apply to any physically handicapped licensee as provided in division (E) of this section.

Each licensee who is seventy years of age or older, within a continuing education reporting period, shall submit proof satisfactory to the superintendent of real estate that the licensee has satisfactorily completed a total of nine classroom hours of continuing education, including instruction in Ohio real estate law; recently enacted state and federal laws affecting the real estate industry; municipal, state, and federal civil rights law; and canons of ethics for the real estate industry as adopted by the commission. The required proof of completion shall be submitted on or before the licensee's birthday that falls in the third year of that continuing education reporting period. A licensee who is seventy years of age or older whose license is in an inactive status is exempt from the continuing education requirements specified in this section. The commission shall adopt reasonable rules in accordance with Chapter 119. of the Revised Code to carry out the purposes of this paragraph.

~~A person providing any course of continuing education may administer examinations to licensees for the purpose of evaluating the effectiveness of the course, but passage of an examination by a licensee shall not be a condition for successful completion of the continuing education requirements of this section.~~

(B) The continuing education requirements of this section shall be completed in schools, seminars, and educational institutions approved by the commission. Such approval shall be given according to rules established by the commission under the procedures of Chapter 119. of the Revised Code, and shall not be limited to institutions providing two-year or four-year degrees. Each school, seminar, or educational institution approved under this division shall be open to all licensees on an equal basis.

(C) If the requirements of this section are not met by a licensee within the period specified, the licensee's license shall be suspended automatically without the taking of any action by the superintendent. The superintendent shall notify the licensee of the license suspension. Any license so suspended

shall remain suspended until it is reactivated by the superintendent. No such license shall be reactivated until it is established, to the satisfaction of the superintendent, that the requirements of this section have been met. If the requirements of this section are not met within twelve months from the date the license was suspended, the license shall be revoked automatically without the taking of any action by the superintendent.

(D) If the license of a real estate broker is suspended pursuant to division (C) of this section, the license of a real estate salesperson associated with that broker correspondingly is suspended pursuant to division (H) of section 4735.20 of the Revised Code. However, the suspended license of the associated real estate salesperson shall be reactivated and no fee shall be charged or collected for that reactivation if all of the following occur:

(1) That broker subsequently submits proof to the superintendent that the broker has complied with the requirements of this section and requests that the broker's license as a real estate broker be reactivated.

(2) The superintendent then reactivates the broker's license as a real estate broker.

(3) The associated real estate salesperson intends to continue to be associated with that broker, has complied with the requirements of this section, and otherwise is in compliance with this chapter.

Any person whose license is reactivated pursuant to this division shall submit proof satisfactory to the superintendent that the person has completed thirty hours of continuing education, as prescribed by the Ohio real estate commission, on or before the third year following the licensee's birthday occurring immediately after reactivation.

(E) Any licensee who is a physically handicapped licensee at any time during the last three months of the third year of the licensee's continuing education reporting period may receive an extension of time to submit proof to the superintendent that the licensee has satisfactorily completed the required thirty hours of continuing education. To receive an extension of time, the licensee shall submit a request to the division of real estate for the extension and proof satisfactory to the commission that the licensee was a physically handicapped licensee at some time during the last three months of the three-year reporting period. The proof shall include, but is not limited to, a signed statement by the licensee's attending physician describing the physical disability, certifying that the licensee's disability is of such a nature as to prevent the licensee from attending any instruction lasting at least three hours in duration, and stating the expected duration of the physical disability. The licensee shall request the extension and provide the physician's statement to the division no later than one month prior to the end

of the licensee's three-year continuing education reporting period, unless the physical disability did not arise until the last month of the three-year reporting period, in which event the licensee shall request the extension and provide the physician's statement as soon as practical after the occurrence of the physical disability. A licensee granted an extension pursuant to this division who is no longer a physically handicapped licensee and who submits proof of completion of the continuing education during the extension period, shall submit, for future continuing education reporting periods, proof of completion of the continuing education requirements according to the schedule established in division (A) of this section.

Sec. 4736.01. As used in this chapter:

(A) "Environmental health science" means the aspect of public health science that includes, but is not limited to, the following bodies of knowledge: air quality, food quality and protection, hazardous and toxic substances, consumer product safety, housing, institutional health and safety, community noise control, radiation protection, recreational facilities, solid and liquid waste management, vector control, drinking water quality, milk sanitation, and rabies control.

(B) "Sanitarian" means a person who performs for compensation educational, investigational, technical, or administrative duties requiring specialized knowledge and skills in the field of environmental health science.

(C) "Registered sanitarian" means a person who is registered as a sanitarian in accordance with this chapter.

(D) "Sanitarian-in-training" means a person who is registered as a sanitarian-in-training in accordance with this chapter.

(E) "Practice of environmental health" means consultation, instruction, investigation, inspection, or evaluation by an employee of a city health district, a general health district, the environmental protection agency, the department of health, or the department of agriculture requiring specialized knowledge, training, and experience in the field of environmental health science, with the primary purpose of improving or conducting administration or enforcement under any of the following:

(1) Chapter 911., 913., 917., 3717., ~~3748.~~, 3721., 3729., or 3733. of the Revised Code;

(2) Chapter 3734. of the Revised Code as it pertains to solid waste;

(3) Section 955.26, 3701.344, 3707.01, or 3707.03, sections 3707.38 to 3707.99, or section 3715.21 of the Revised Code;

(4) Rules adopted under section 3701.34 of the Revised Code pertaining to home sewage, rabies control, or swimming pools;

(5) Rules adopted under section 3701.935 of the Revised Code for school health and safety network inspections and rules adopted under section 3707.26 of the Revised Code for sanitary inspections.

"Practice of environmental health" does not include sampling, testing, controlling of vectors, reporting of observations, or other duties that do not require application of specialized knowledge and skills in environmental health science performed under the supervision of a registered sanitarian.

The state board of sanitarian registration may further define environmental health science in relation to specific functions in the practice of environmental health through rules adopted by the board under Chapter 119. of the Revised Code.

Sec. 4743.05. Except as otherwise provided in sections 4701.20, 4723.062, 4723.082, and 4729.65 of the Revised Code, all money collected under Chapters 3773., 4701., 4703., 4709., 4713., 4715., 4717., 4723., 4725., 4729., 4732., 4733., 4734., 4736., 4741., 4753., 4755., 4757., 4758., 4759., 4761., ~~4766.~~ 4771., ~~4775.~~ 4779., and 4781. of the Revised Code shall be paid into the state treasury to the credit of the occupational licensing and regulatory fund, which is hereby created for use in administering such chapters.

At the end of each quarter, the director of budget and management shall transfer from the occupational licensing and regulatory fund to the nurse education assistance fund created in section 3333.28 of the Revised Code the amount certified to the director under division (B) of section 4723.08 of the Revised Code.

At the end of each quarter, the director shall transfer from the occupational licensing and regulatory fund to the certified public accountant education assistance fund created in section 4701.26 of the Revised Code the amount certified to the director under division (H)(2) of section 4701.10 of the Revised Code.

Sec. 4755.03. ~~All~~ Except as provided in section 4755.99 of the Revised Code, all fees and fines collected and assessed under this chapter by the appropriate section of the Ohio occupational therapy, physical therapy, and athletic trainers board, shall be deposited into the state treasury to the credit of the occupational licensing and regulatory fund.

Sec. 4766.05. (A) The Ohio medical transportation board shall establish by rule a license fee, a permit fee for each ambulance, ambulette, rotorcraft air ambulance, fixed wing air ambulance, and nontransport vehicle owned or leased by the licensee that is or will be used as provided in section 4766.07 of the Revised Code, and fees for renewals of licenses and permits, taking into consideration the actual costs incurred by the board in carrying out its

duties under this chapter. However, the fee for each license and each renewal of a license shall not exceed one hundred dollars, and the fee for each permit and each renewal of a permit shall not exceed one hundred dollars for each ambulance, rotorcraft air ambulance, fixed wing air ambulance, and nontransport vehicle. The fee for each permit and each renewal of a permit shall be twenty-five dollars for each ambulette for one year after ~~the effective date of this amendment~~ March 9, 2004. Thereafter, the board shall determine by rule the fee, which shall not exceed fifty dollars, for each permit and each renewal of a permit for each ambulette. For purposes of establishing fees, "actual costs" includes the costs of salaries, expenses, inspection equipment, supervision, and program administration.

(B) The board shall deposit all fees and other moneys collected pursuant to sections 4766.04, 4766.07, and 4766.08 of the Revised Code in the state treasury to the credit of the ~~Ohio medical transportation trust~~ occupational licensing and regulatory fund, which is hereby created by section 4743.05 of the Revised Code. All moneys from the fund shall be used solely for the salaries and expenses of the board incurred in implementing and enforcing this chapter.

(C) The board, subject to the approval of the controlling board, may establish fees in excess of the maximum amounts allowed under division (A) of this section, but such fees shall not exceed those maximum amounts by more than fifty per cent.

Sec. 4766.22. (A) Not later than forty-five days after the end of each fiscal year, the Ohio medical transportation board shall submit a report to the governor and general assembly that provides all of the following information for that fiscal year:

(1) The number of each of the following the board issued:

(a) Basic life-support organization licenses;

(b) Intermediate life-support organization licenses;

(c) Advanced life-support organization licenses;

(d) Mobile intensive care unit organization licenses;

(e) Ambulette service licenses;

(f) Air medical service organization licenses;

(g) Ambulance permits;

(h) Nontransport vehicle permits;

(i) Ambulette vehicle permits;

(j) Rotorcraft air ambulance permits;

(k) Fixed wing air ambulance permits.

(2) The amount of fees the board collected for issuing and renewing each type of license and permit specified in division (A)(1) of this section;

(3) The number of inspections the board or a third party on the board's behalf conducted in connection with each type of license and permit specified in division (A)(1) of this section and the amount of fees the board collected for the inspections;

(4) The number of complaints that were submitted to the board;

(5) The number of investigations the board conducted under section 4766.11 of the Revised Code;

(6) The number of adjudication hearings the board held and the outcomes of the adjudications;

(7) The amount of penalties the board imposed and collected under section 4766.08 of the Revised Code;

(8) Other information the board determines reflects the board's operations.

(B) The board shall post the annual report required by this section on its web site and make it available to the public on request.

Sec. 4775.08. (A) The initial and annual renewal fee for a motor vehicle collision repair registration certificate and for a temporary motor vehicle collision repair registration certificate is one hundred fifty dollars for each business location at which the motor vehicle collision repair operator conducts business as an operator, except that the board of motor vehicle collision repair registration, with the approval of the controlling board, may establish fees in excess of or less than that amount, provided that such fees do not exceed or are not less than that amount by more than fifty per cent.

The board shall adjust the fees as necessary in order to provide for the expenses associated with carrying out this chapter ~~without causing an excessive build-up of surplus funds in the motor vehicle collision repair registration fund, which is hereby created in the state treasury.~~

(B) If the board has notified or attempted to notify a motor vehicle collision repair operator that the operator is required to be registered under this chapter, and the operator fails to register, the initial fee for the registration of such an unregistered operator for each business location at which the operator conducts business as an operator, is the initial fee then in effect plus an additional amount equal to the initial fee then in effect for each calendar year that the operator is not registered after the board has notified or attempted to notify the operator.

(C) The board shall deposit all fees and fines collected under this chapter into the ~~motor vehicle collision repair registration fund. The board shall use the fund solely for the administration and enforcement of this chapter~~ occupational licensing and regulatory fund created by section 4743.05 of the Revised Code.

Sec. 4921.40. In accordance with section 4921.04 of the Revised Code, the public utilities commission may adopt rules:

(A) Providing for binding estimates by motor transportation companies engaged, for hire, in the business of transporting household goods over a public highway in this state;

(B) Providing for guaranteed-not-to-exceed estimates by such motor transportation companies;

(C) Requiring such motor transportation companies to include their certificate number in all advertising, written estimates, and contracts related to the transportation of household goods in this state;

(D) As are necessary and proper to carry out this chapter with respect to such motor transportation companies;

(E) Providing for the enforcement of the consumer protection provisions of Title 49 of the United States Code related to the delivery and transportation of household goods in interstate commerce, as permitted by 49 U.S.C. 14710. Any fine or penalty imposed as a result of such enforcement shall be deposited into the state treasury to the credit of the general revenue fund.

Sec. 4923.26. There is hereby created in the state treasury the federal commercial vehicle transportation systems fund. The fund shall consist of money received from the United States department of transportation's commercial vehicle intelligent transportation systems infrastructure deployment program. The public utilities commission shall use the fund to deploy the Ohio commercial vehicle information systems networks project and to improve safety of motor carrier operations through electronic exchange of data by means of on-highway electronic systems.

Sec. 5101.141. (A) As used in sections 5101.141 to 5101.1410 of the Revised Code, "Title IV-E" means Title IV-E of the "Social Security Act," 94 Stat. 501, 42 U.S.C. 670 (1980), as amended.

(B) The department of job and family services shall act as the single state agency to administer federal payments for foster care and adoption assistance made pursuant to Title IV-E. The director of job and family services shall adopt rules to implement this authority. Rules governing financial and administrative requirements applicable to public children services agencies and government entities that provide Title IV-E reimbursable placement services to children shall be adopted in accordance with section 111.15 of the Revised Code, as if they were internal management rules. Rules governing requirements applicable to private child placing agencies and private noncustodial agencies and rules establishing eligibility, program participation, and other requirements concerning Title

IV-E shall be adopted in accordance with Chapter 119. of the Revised Code. A public children services agency to which the department distributes Title IV-E funds shall administer the funds in accordance with those rules.

(C)(1) The county, on behalf of each child eligible for foster care maintenance payments under Title IV-E, shall make payments to cover the cost of providing all of the following:

(a) The child's food, clothing, shelter, daily supervision, and school supplies;

(b) The child's personal incidentals;

(c) Reasonable travel to the child's home for visitation.

(2) In addition to payments made under division (C)(1) of this section, the county may, on behalf of each child eligible for foster care maintenance payments under Title IV-E, make payments to cover the cost of providing the following:

(a) Liability insurance with respect to the child;

(b) If the county is participating in the demonstration project established under division (A) of section 5101.142 of the Revised Code, services provided under the project.

(3) With respect to a child who is in a child-care institution, including any type of group home designed for the care of children or any privately operated program consisting of two or more certified foster homes operated by a common administrative unit, the foster care maintenance payments made by the county on behalf of the child shall include the reasonable cost of the administration and operation of the institution, group home, or program, as necessary to provide the items described in divisions (C)(1) and (2) of this section.

(D) To the extent that either foster care maintenance payments under division (C) of this section or Title IV-E adoption assistance payments for maintenance costs require the expenditure of county funds, the board of county commissioners shall report the nature and amount of each expenditure of county funds to the department.

(E) The department shall distribute to public children services agencies that incur and report ~~such~~ expenditures of the type described in division (D) of this section federal financial participation received for administrative and training costs incurred in the operation of foster care maintenance and adoption assistance programs. The department may withhold not more than three per cent of the federal financial participation received. The funds withheld may be used only to fund the following:

(1) The Ohio child welfare training program established under section 5103.30 of the Revised Code ~~and the~~;

(2) The university partnership program for college and university students majoring in social work who have committed to work for a public children services agency upon graduation.~~The;~~

(3) Efforts supporting organizational excellence, including voluntary activities to be accredited by a nationally recognized accreditation organization.

The funds withheld shall be in addition to any administration and training cost for which the department is reimbursed through its own cost allocation plan.

(F) All federal financial participation funds received by a county pursuant to this section shall be deposited into the county's children services fund created pursuant to section 5101.144 of the Revised Code.

(G) The department shall periodically publish and distribute the maximum amounts that the department will reimburse public children services agencies for making payments on behalf of children eligible for foster care maintenance payments.

(H) The department, by and through its director, is hereby authorized to develop, participate in the development of, negotiate, and enter into one or more interstate compacts on behalf of this state with agencies of any other states, for the provision of medical assistance and other social services to children in relation to whom all of the following apply:

(1) They have special needs.

(2) This state or another state that is a party to the interstate compact is providing adoption assistance on their behalf.

(3) They move into this state from another state or move out of this state to another state.

Sec. 5101.16. (A) As used in this section and sections 5101.161 and 5101.162 of the Revised Code:

(1) "Disability financial assistance" means the financial assistance program established under Chapter 5115. of the Revised Code.

(2) "Disability medical assistance" means the medical assistance program established under Chapter 5115. of the Revised Code.

(3) "Food stamps" means the program administered by the department of job and family services pursuant to section 5101.54 of the Revised Code.

(4) "Medicaid" means the medical assistance program established by Chapter 5111. of the Revised Code, excluding transportation services provided under that chapter.

(5) "Ohio works first" means the program established by Chapter 5107. of the Revised Code.

(6) "Prevention, retention, and contingency" means the program

established by Chapter 5108. of the Revised Code.

(7) "Public assistance expenditures" means expenditures for all of the following:

- (a) Ohio works first;
- (b) County administration of Ohio works first;
- (c) Prevention, retention, and contingency;
- (d) County administration of prevention, retention, and contingency;
- (e) Disability financial assistance;
- (f) Disability medical assistance;
- (g) County administration of disability financial assistance;
- (h) County administration of disability medical assistance;
- (i) County administration of food stamps;
- (j) County administration of medicaid.

(8) "Title IV-A program" has the same meaning as in section 5101.80 of the Revised Code.

(B) Each board of county commissioners shall pay the county share of public assistance expenditures in accordance with section 5101.161 of the Revised Code. Except as provided in division (C) of this section, a county's share of public assistance expenditures is the sum of all of the following for state fiscal year 1998 and each state fiscal year thereafter, minus the amount calculated under division (C) of section 5111.017 of the Revised Code for the state fiscal year ending in the previous calendar year:

(1) The amount that is twenty-five per cent of the county's total expenditures for disability financial assistance and disability medical assistance and county administration of those programs during the state fiscal year ending in the previous calendar year that the department of job and family services determines are allowable.

(2) The amount that is ten per cent, or other percentage determined under division (D) of this section, of the county's total expenditures for county administration of food stamps and medicaid during the state fiscal year ending in the previous calendar year that the department determines are allowable, less the amount of federal reimbursement credited to the county under division (E) of this section for the state fiscal year ending in the previous calendar year;

(3) A percentage of the actual amount of the county share of program and administrative expenditures during federal fiscal year 1994 for assistance and services, other than child care, provided under Titles IV-A and IV-F of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as those titles existed prior to the enactment of the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," 110 Stat. 2105. The

department of job and family services shall determine the actual amount of the county share from expenditure reports submitted to the United States department of health and human services. The percentage shall be the percentage established in rules adopted under division (F) of this section.

(C)(1) If a county's share of public assistance expenditures determined under division (B) of this section for a state fiscal year exceeds one hundred ten per cent of the county's share for those expenditures for the immediately preceding state fiscal year, the department of job and family services shall reduce the county's share for expenditures under divisions (B)(1) and (2) of this section so that the total of the county's share for expenditures under division (B) of this section equals one hundred ten per cent of the county's share of those expenditures for the immediately preceding state fiscal year.

(2) A county's share of public assistance expenditures determined under division (B) of this section may be increased pursuant to section 5101.163 of the Revised Code and a sanction under section 5101.24 of the Revised Code. An increase made pursuant to section 5101.163 of the Revised Code may cause the county's share to exceed the limit established by division (C)(1) of this section.

(D)(1) If the per capita tax duplicate of a county is less than the per capita tax duplicate of the state as a whole and division (D)(2) of this section does not apply to the county, the percentage to be used for the purpose of division (B)(2) of this section is the product of ten multiplied by a fraction of which the numerator is the per capita tax duplicate of the county and the denominator is the per capita tax duplicate of the state as a whole. The department of job and family services shall compute the per capita tax duplicate for the state and for each county by dividing the tax duplicate for the most recent available year by the current estimate of population prepared by the department of development.

(2) If the percentage of families in a county with an annual income of less than three thousand dollars is greater than the percentage of such families in the state and division (D)(1) of this section does not apply to the county, the percentage to be used for the purpose of division (B)(2) of this section is the product of ten multiplied by a fraction of which the numerator is the percentage of families in the state with an annual income of less than three thousand dollars a year and the denominator is the percentage of such families in the county. The department of job and family services shall compute the percentage of families with an annual income of less than three thousand dollars for the state and for each county by multiplying the most recent estimate of such families published by the department of development, by a fraction, the numerator of which is the estimate of

average annual personal income published by the bureau of economic analysis of the United States department of commerce for the year on which the census estimate is based and the denominator of which is the most recent such estimate published by the bureau.

(3) If the per capita tax duplicate of a county is less than the per capita tax duplicate of the state as a whole and the percentage of families in the county with an annual income of less than three thousand dollars is greater than the percentage of such families in the state, the percentage to be used for the purpose of division (B)(2) of this section shall be determined as follows:

(a) Multiply ten by the fraction determined under division (D)(1) of this section;

(b) Multiply the product determined under division (D)(3)(a) of this section by the fraction determined under division (D)(2) of this section.

(4) The department of job and family services shall determine, for each county, the percentage to be used for the purpose of division (B)(2) of this section not later than the first day of July of the year preceding the state fiscal year for which the percentage is used.

(E) The department of job and family services shall credit to a county the amount of federal reimbursement the department receives from the United States departments of agriculture and health and human services for the county's expenditures for administration of food stamps and medicaid that the department determines are allowable administrative expenditures.

(F)(1) The director of job and family services shall adopt rules in accordance with section 111.15 of the Revised Code to establish all of the following:

(a) The method the department is to use to change a county's share of public assistance expenditures determined under division (B) of this section as provided in division (C) of this section;

(b) The allocation methodology and formula the department will use to determine the amount of funds to credit to a county under this section;

(c) The method the department will use to change the payment of the county share of public assistance expenditures from a calendar-year basis to a state fiscal year basis;

(d) The percentage to be used for the purpose of division (B)(3) of this section, which shall, except as provided in section 5101.163 of the Revised Code, meet both of the following requirements:

(i) The percentage shall not be less than seventy-five per cent nor more than eighty-two per cent;

(ii) The percentage shall not exceed the percentage that the state's

qualified state expenditures is of the state's historic state expenditures as those terms are defined in 42 U.S.C. 609(a)(7).

(e) Other procedures and requirements necessary to implement this section.

(2) The director of job and family services may amend the rule adopted under division (F)(1)(d) of this section to modify the percentage on determination that the amount the general assembly appropriates for Title IV-A programs makes the modification necessary. The rule shall be adopted and amended as if an internal management rule and in consultation with the director of budget and management.

Sec. 5101.162. Subject to available federal funds and appropriations made by the general assembly, the department of job and family services may, at its sole discretion, use available federal funds to reimburse county expenditures for county administration of food stamps or medicaid even though the county expenditures meet or exceed the maximum allowable reimbursement amount established by rules adopted under section 5101.161 of the Revised Code ~~if the board of county commissioners has entered into a fiscal agreement with the director of job and family services under section 5101.21 of the Revised Code~~. The director may adopt internal management rules in accordance with section 111.15 of the Revised Code to implement this section.

Sec. 5101.21. (A) As used in ~~this section~~, "~~county signer~~ sections 5101.21 to 5101.212 of the Revised Code:"

(1) "County grantee" means all of the following:

~~(1)(a)~~ A board of county commissioners;

~~(2)(b)~~ A county children services board appointed under section 5153.03 of the Revised Code ~~if required by division (B) of this section to enter into a fiscal agreement~~;

~~(3)(c)~~ A county elected official that is a child support enforcement agency ~~if required by division (B) of this section to enter into a fiscal agreement~~.

(2) "County subgrant" means a grant that a county grantee awards to another entity.

(3) "County subgrant agreement" means an agreement between a county grantee and another entity under which the county grantee awards the other entity one or more county subgrants.

(4) "Fiscal biennial period" means a two-year period beginning on the first day of July of an odd-numbered year and ending on the last day of June of the next odd-numbered year.

(5) "Grant" means an award for one or more family services duties of

federal financial assistance that a federal agency provides in the form of money, or property in lieu of money, to the department of job and family services and that the department awards to a county grantee. "Grant" may include state funds the department awards to a county grantee to match the federal financial assistance. "Grant" does not mean either of the following:

(a) Technical assistance that provides services instead of money;

(b) Other assistance provided in the form of revenue sharing, loans, loan guarantees, interest subsidies, or insurance.

(6) "Grant agreement" means an agreement between the department of job and family services and a county grantee under which the department awards the county grantee one or more grants.

(B) ~~The~~ Effective July 1, 2008, the director of job and family services may award grants to counties only through grant agreements entered into under this section.

(C) ~~The director shall enter into one or more written fiscal grant agreements with boards of the county commissioners under which financial assistance is awarded for family services duties included in the agreements grantees of each county. Boards of county commissioners shall select which family services duties to include in a fiscal agreement. If a board of county commissioners elects to include family services duties of a public children services agency and a county children services board appointed under section 5153.03 of the Revised Code serves as the county's public children services agency, the board of county commissioners and county children services board shall jointly enter into the fiscal agreement with the director. If a board of county commissioners elects to include family services duties of a child support enforcement agency and the entity designated under former section 2301.35 of the Revised Code prior to October 1, 1997, or designated under section 307.981 of the Revised Code as the county's child support enforcement agency is an elected official of the county, the board of county commissioners and county elected official~~ If a county has multiple county grantees, the director shall jointly enter into the fiscal grant agreement with ~~the director~~ all of the county grantees. The initial grant agreement shall be entered into not later than January 31, 2008, and shall be in effect for fiscal year 2009. Except as provided in rules adopted under this section, subsequent grant agreements shall be entered into before the first day of each successive fiscal biennial period and shall be in effect for that fiscal biennial period or, in the case of a grant agreement entered into after the first day of a fiscal biennial period and except as provided by section 5101.211 of the Revised Code, for the remainder of the fiscal biennial period. A fiscal grant agreement shall do all of the following:

(1) Comply with all of the conditions, requirements, and restrictions applicable to the family services duties for which the grants included in the agreement are awarded, including the conditions, requirements, and restrictions established by the department, federal or state law, state plans for receipt of federal financial participation, agreements between the department and a federal agency, and executive orders issued by the governor;

(2) Establish terms and conditions governing the accountability for and use of the grants included in the grant agreement;

(3) Specify ~~the~~ both of the following:

(a) The family services duties ~~included in the agreement and the~~ for which the grants included in the agreement are awarded;

(b) The private and government entities designated under section 307.981 of the Revised Code to serve as the county family services agencies performing the family services duties;

~~(2)~~(4) Provide for the department of job and family services to award ~~financial assistance for the family services duties~~ grants included in the agreement in accordance with a methodology for determining the amount of the award established by rules adopted under ~~division (D)~~ of this section;

~~(3)~~(5) Specify the form of the ~~award of financial assistance~~ grants which may be ~~an allocation, a cash draw, reimbursement, property, advance, working capital advance,~~ or, ~~to the extent authorized by an appropriation made by the general assembly and to the extent practicable and not in conflict with a federal or state law, a consolidated funding allocation for two or more family services duties included in the agreement~~ other forms specified in rules adopted under this section;

~~(4)~~(6) Provide that the ~~award of financial assistance~~ ~~is~~ grants ~~are~~ subject to the availability of federal funds and appropriations made by the general assembly;

~~(5)~~(7) Specify annual financial, administrative, or other incentive awards, if any, to be provided in accordance with section 5101.23 of the Revised Code;

~~(6)~~(8) Include the assurance of each county ~~signer~~ grantee that the county ~~signer~~ grantee will do all of the following:

(a) Ensure that the ~~financial assistance awarded under~~ grants included in the agreement ~~is~~ are used, and the family services duties ~~included in~~ for which the agreement grants are awarded are performed, in accordance with conditions, requirements ~~for,~~ and restrictions applicable to the duties established by the department, a federal or state law, ~~or any of the following that concern the family services duties included in the fiscal agreement and~~

~~are published under section 5101.212 of the Revised Code:~~ state plans for receipt of federal financial participation, ~~grant~~ agreements between the department and a federal agency, and executive orders issued by the governor;

(b) ~~Ensure that the board and county family services agencies utilize~~ Utilize a financial management system and other accountability mechanisms for the ~~financial assistance grants~~ awarded under the agreement that meet requirements the department establishes;

(c) ~~Require the county family services agencies to do both~~ Do all of the following with regard to a county subgrant:

(i) Award the subgrant through a written county subgrant agreement that requires the entity awarded the county subgrant to comply with all conditions, requirements, and restrictions applicable to the county grantee regarding the grant that the county grantee subgrants to the entity, including the conditions, requirements, and restrictions of this section;

(ii) ~~Monitor all private and government entities~~ the entity that receive a payment from financial assistance is awarded under the agreement subgrant to ensure that each the entity uses the payment subgrant in accordance with conditions, requirements for, and restrictions applicable to the family services duties included in for which the agreement subgrant is awarded;

~~(ii)(iii)~~ (iii) Take action to recover payments subgrants that are not used in accordance with the conditions, requirements for, or restrictions applicable to the family services duties included in for which the agreement subgrant is awarded.

(d) ~~Require county family services agencies to promptly~~ Promptly reimburse the department the amount that represents the amount ~~an agency~~ the county grantee is responsible for, pursuant to action the department takes under division (C) of section 5101.24 of the Revised Code, of funds the department pays to any entity because of an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty;

(e) ~~Require county family services agencies to take~~ Take prompt corrective action, including paying amounts resulting from an adverse finding, sanction, or penalty, if the department, auditor of state, federal agency, or other entity authorized by federal or state law to determine compliance with the conditions, requirements for, and restrictions applicable to a family services duty for which a grant included in the agreement is awarded determines compliance has not been achieved;

(f) Ensure that any matching funds, regardless of the source, that the county grantee manages are clearly identified and used in accordance with

federal and state laws and the agreement.

~~(7)~~(9) Provide for the department taking action pursuant to division (C) of section 5101.24 of the Revised Code if authorized by division (B)(1), (2), (3), or (4) of that section;

~~(8)~~(10) Provide for timely audits required by federal and state law and require prompt release of audit findings and prompt action to correct problems identified in an audit;

~~(9)~~ Comply with all of the requirements for the family services duties that are included in the agreement and have been established by the department, federal or state law, or any of the following that concern the family services duties included in the fiscal agreement and are published under section 5101.212 of the Revised Code: state plans for receipt of federal financial participation, grant agreements between the department and a federal agency, and executive orders issued by the governor;

~~(10)~~(11) Provide for ~~dispute resolution~~ administrative review procedures in accordance with section 5101.24 of the Revised Code;

~~(11)~~(12) Establish the method of amending or terminating the agreement and an expedited process for correcting terms or conditions of the agreement that the director and each county ~~signer~~ grantee agree are erroneous;

~~(12)~~ Except as provided in rules adopted under division (D) of this section, begin on the first day of July of an odd-numbered year and end on the last day of June of the next odd-numbered year.

~~(C)~~(D) A grant agreement does not have to be amended for a county grantee to be required to comply with a new or amended condition, requirement, or restriction for a family services duty established by federal or state law, state plan for receipt of federal financial participation, agreement between the department and a federal agency, or executive order issued by the governor.

(E) The department shall make payments authorized by a ~~fiscal grant~~ grant agreement on vouchers it prepares and may include any funds appropriated or allocated to it for carrying out family services duties for which a grant included in the agreement is awarded, including funds for personal services and maintenance.

~~(D)~~(F)(1) The director shall adopt rules in accordance with section 111.15 of the Revised Code governing ~~fiscal grant~~ grant agreements. The director shall adopt the rules as if they were internal management rules. Before adopting the rules, the director shall give the public an opportunity to review and comment on the proposed rules. The rules shall establish methodologies to be used to determine the amount of ~~financial assistance to be awarded under the grants included in~~ the grants included in the agreements. The rules also shall establish

terms and conditions under which an agreement may be entered into after the first day of ~~July of an odd-numbered year~~ a fiscal biennial period. The rules may do any or all of the following:

(a) Govern the award of grants included in grant agreements, including the establishment of allocations, and restrictions on, the form of the grants and the distribution of the grants;

(b) Specify allowable uses of ~~financial assistance awarded under the grants included in~~ the grants included in the agreements;

(c) Establish reporting, cash management, audit, and other requirements the director determines are necessary to provide accountability for the use of ~~financial assistance awarded under the grants included in~~ the grants included in the agreements and determine compliance with conditions, requirements, and restrictions established by the department, a federal or state law, ~~or any of the following that concern the family services duties included in the agreements and are published under section 5101.212 of the Revised Code:~~ state plans for receipt of federal financial participation, ~~grant~~ grant agreements between the department and a federal entity agency, and executive orders issued by the governor.

(2) A requirement of a fiscal grant agreement established by a rule adopted under this division is applicable to a fiscal grant agreement without having to be restated in the fiscal grant agreement. A requirement established by a grant agreement is applicable to the grant agreement without having to be restated in a rule.

Sec. 5101.211. ~~(A) Except as provided in division (B) of this section, the~~ The director of job and family services may provide for a fiscal grant agreement entered into under section 5101.21 of the Revised Code to have a retroactive effective date of the first day of July of an odd-numbered year if both of the following are the case:

~~(1)(A)~~ (A) The agreement is entered into after that date and before the last day of that July.

~~(2)(B)~~ (B) The board of county commissioners requests the retroactive effective date and provides the director good cause satisfactory to the director for the reason the agreement was not entered into on or before the first day of that July.

~~(B) The director may provide for a fiscal agreement to have a retroactive effective date of July 1, 2003, if both of the following are the case:~~

~~(1) The agreement is entered into after July 1, 2003, and before August 29, 2003.~~

~~(2) The board of county commissioners requests the retroactive effective~~

~~date.~~

Sec. 5101.212. The department of job and family services shall publish in a manner accessible to the public all of the following that concern family services duties for which grants included in fiscal grant agreements entered into under section 5101.21 of the Revised Code are awarded: state plans for receipt of federal financial participation, ~~grant~~ agreements between the department and a federal agency, and executive orders issued by the governor. The department may publish the materials electronically or otherwise.

Sec. 5101.213. (A) ~~Except as provided in section 5101.211 of the Revised Code, if a fiscal agreement under section 5101.21 of the Revised Code between the director of job and family services and a board of county commissioners is not in effect~~ Until July 1, 2008, all of the following apply:

(1) ~~The~~ For each board of county commissioners, the department of job and family services shall award to the county the board serves financial assistance for family services duties in accordance with a methodology for determining the amount of the award established by rules adopted under division (B) of this section.

(2) The financial assistance may be provided in the form of allocations, cash draws, reimbursements, and property but may not be made in the form of a consolidated funding allocation.

(3) The award of the financial assistance is subject to the availability of federal funds and appropriations made by the general assembly.

(4) The county family services agencies performing the family services duties for which the financial assistance is awarded shall do all of the following:

(a) Use the financial assistance, and perform the family services duties, in accordance with requirements for the duties established by the department, a federal or state law, or any of the following that concern the duties: state plans for receipt of federal financial participation, grant agreements between the department and a federal agency, and executive orders issued by the governor;

(b) Utilize a financial management system and other accountability mechanisms for the financial assistance that meet requirements the department establishes;

(c) Monitor all private and government entities that receive a payment from the financial assistance to ensure that each entity uses the payment in accordance with requirements for the family services duties and take action to recover payments that are not used in accordance with the requirements for the family services duties;

(d) Promptly reimburse the department the amount that represents the amount an agency is responsible for, pursuant to action the department takes under division (C) of section 5101.24 of the Revised Code, of funds the department pays to any entity because of an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty;

(e) Take prompt corrective action, including paying amounts resulting from an adverse finding, sanction, or penalty, if the department, auditor of state, federal agency, or other entity authorized by federal or state law to determine compliance with requirements for a family services duty determines compliance has not been achieved.

(B) The director shall adopt rules in accordance with section 111.15 of the Revised Code as necessary to implement this section. The director shall adopt the rules as if they were internal management rules. Before adopting the rules, the director shall give the public an opportunity to review and comment on the proposed rules. The rules shall establish methodologies to be used to determine the amount of financial assistance to be awarded and may do any or all of the following:

(1) Govern the establishment of funding allocations;

(2) Specify allowable uses of financial assistance the department awards under this section;

(3) Establish reporting, cash management, audit, and other requirements the director determines are necessary to provide accountability for the use of the financial assistance and determine compliance with requirements established by the department, a federal or state law, or any of the following that concern the family services duties for which the financial assistance is awarded: state plans for receipt of federal financial participation, grant agreements between the department and a federal entity, and executive orders issued by the governor.

Sec. 5101.24. (A) As used in this section, "responsible ~~entity~~ county grantee" means ~~a board of county commissioners or a county family services agency~~, whichever county grantee, as defined in section 5101.21 of the Revised Code, the director of job and family services determines is appropriate to take action against under division (C) of this section.

(B) Regardless of whether a family services duty is performed by a county family services agency, private or government entity pursuant to a contract entered into under section 307.982 of the Revised Code or division (C)(2) of section 5153.16 of the Revised Code, or private or government provider of a family service duty, the department of job and family services may take action under division (C) of this section against the responsible

entity county grantee if the department determines any of the following are the case:

(1) A requirement of a ~~fiscal grant~~ grant agreement entered into under section 5101.21 of the Revised Code that includes a grant for the family services duty, including a requirement for ~~fiscal grant~~ grant agreements established by rules adopted under that section, is not complied with;

(2) A county family services agency fails to develop, submit to the department, or comply with a corrective action plan under division (B) of section 5101.221 of the Revised Code, or the department disapproves the agency's corrective action plan developed under division (B) of section 5101.221 of the Revised Code;

(3) A requirement for the family services duty established by the department or any of the following is not complied with: a federal or state law, state plan for receipt of federal financial participation, grant agreement between the department and a federal agency, or executive order issued by the governor;

(4) The responsible entity county grantee is solely or partially responsible, as determined by the director of job and family services, for an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty regarding the family services duty.

(C) The department may take one or more of the following actions against the responsible entity county grantee when authorized by division (B)(1), (2), (3), or (4) of this section:

(1) Require the responsible entity county grantee to comply with a corrective action plan pursuant to a time schedule specified by the department. The corrective action plan shall be established or approved by the department and shall not require a county ~~family services agency~~ grantee to commit resources to the plan.

(2) Require the responsible entity county grantee to comply with a corrective action plan pursuant to a time schedule specified by the department. The corrective action plan shall be established or approved by the department and require a county ~~family services agency~~ grantee to commit to the plan existing resources identified by the agency.

(3) Require the responsible entity county grantee to do one of the following:

(a) Share with the department a final disallowance of federal financial participation or other sanction or penalty;

(b) Reimburse the department the final amount the department pays to the federal government or another entity that represents the amount the

responsible entity county grantee is responsible for of an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty issued by the federal government, auditor of state, or other entity;

(c) Pay the federal government or another entity the final amount that represents the amount the responsible entity county grantee is responsible for of an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty issued by the federal government, auditor of state, or other entity;

(d) Pay the department the final amount that represents the amount the responsible entity county grantee is responsible for of an adverse audit finding or adverse quality control finding.

(4) Impose an administrative sanction issued by the department against the responsible entity county grantee. A sanction may be increased if the department has previously taken action against the responsible entity under this division.

(5) Perform, or contract with a government or private entity for the entity to perform, the family services duty until the department is satisfied that the responsible entity county grantee ensures that the duty will be performed satisfactorily. If the department performs or contracts with an entity to perform a family services duty under division (C)(5) of this section, the department may do either or both of the following:

(a) Spend funds in the county treasury appropriated by the board of county commissioners for the duty;

(b) Withhold funds allocated or reimbursements due to the responsible entity county grantee for the duty and spend the funds for the duty.

(6) Request that the attorney general bring mandamus proceedings to compel the responsible entity county grantee to take or cease the action that causes division (B)(1), (2), (3), or (4) of this section to apply. The attorney general shall bring mandamus proceedings in the Franklin county court of appeals at the department's request.

(7) If the department takes action under this division because of division (B)(3) of this section, temporarily withhold funds allocated or reimbursement due to the responsible entity county grantee until the department determines that the responsible entity county grantee is in compliance with the requirement. The department shall release the funds when the department determines that compliance has been achieved.

(D) If the department proposes to take action against the responsible entity county grantee under division (C) of this section, the department shall notify the responsible entity county grantee, director of the appropriate

county family services agency, and county auditor. The notice shall be in writing and specify the action the department proposes to take. The department shall send the notice by regular United States mail.

Except as provided by division (E) of this section, the responsible entity county grantee may request an administrative review of a proposed action in accordance with administrative review procedures the department shall establish. The administrative review procedures shall comply with all of the following:

(1) A request for an administrative review shall state specifically all of the following:

(a) The proposed action specified in the notice from the department for which the review is requested;

(b) The reason why the responsible entity county grantee believes the proposed action is inappropriate;

(c) All facts and legal arguments that the responsible entity county grantee wants the department to consider;

(d) The name of the person who will serve as the responsible entity's county grantee's representative in the review.

(2) If the department's notice specifies more than one proposed action and the responsible entity county grantee does not specify all of the proposed actions in its request pursuant to division (D)(1)(a) of this section, the proposed actions not specified in the request shall not be subject to administrative review and the parts of the notice regarding those proposed actions shall be final and binding on the responsible entity county grantee.

(3) In the case of a proposed action under division (C)(1) of this section, the responsible entity county grantee shall have fifteen calendar days after the department mails the notice to the responsible entity county grantee to send a written request to the department for an administrative review. If it receives such a request within the required time, the department shall postpone taking action under division (C)(1) of this section for fifteen calendar days following the day it receives the request or extended period of time provided for in division (D)(5) of this section to allow a representative of the department and a representative of the responsible entity county grantee an informal opportunity to resolve any dispute during that fifteen-day or extended period.

(4) In the case of a proposed action under division (C)(2), (3), (4), (5), or (7) of this section, the responsible entity county grantee shall have thirty calendar days after the department mails the notice to the responsible entity county grantee to send a written request to the department for an administrative review. If it receives such a request within the required time,

the department shall postpone taking action under division (C)(2), (3), (4), (5), or (7) of this section for thirty calendar days following the day it receives the request or extended period of time provided for in division (D)(5) of this section to allow a representative of the department and a representative of the responsible entity county grantee an informal opportunity to resolve any dispute during that thirty-day or extended period.

(5) If the informal opportunity provided in division (D)(3) or (4) of this section does not result in a written resolution to the dispute within the fifteen- or thirty-day period, the director of job and family services and representative of the responsible entity county grantee may enter into a written agreement extending the time period for attempting an informal resolution of the dispute under division (D)(3) or (4) of this section.

(6) In the case of a proposed action under division (C)(3) of this section, the responsible entity county grantee may not include in its request disputes over a finding, final disallowance of federal financial participation, or other sanction or penalty issued by the federal government, auditor of state, or entity other than the department.

(7) If the responsible entity county grantee fails to request an administrative review within the required time, the responsible entity county grantee loses the right to request an administrative review of the proposed actions specified in the notice and the notice becomes final and binding on the responsible entity county grantee.

(8) If the informal opportunity provided in division (D)(3) or (4) of this section does not result in a written resolution to the dispute within the time provided by division (D)(3), (4), or (5) of this section, the director shall appoint an administrative review panel to conduct the administrative review. The review panel shall consist of department employees and one director or other representative of the type of county family services agency that is responsible for the kind of family services duty that is the subject of the dispute and serves a different county than the county served by the responsible entity county grantee. No individual involved in the department's proposal to take action against the responsible entity county grantee may serve on the review panel. The review panel shall review the responsible entity's county grantee's request. The review panel may require that the department or responsible entity county grantee submit additional information and schedule and conduct an informal hearing to obtain testimony or additional evidence. A review of a proposal to take action under division (C)(3) of this section shall be limited solely to the issue of the amount the responsible entity county grantee shall share with the department, reimburse the department, or pay to the federal government,

department, or other entity under division (C)(3) of this section. The review panel is not required to make a stenographic record of its hearing or other proceedings.

(9) After finishing an administrative review, an administrative review panel appointed under division (D)(8) of this section shall submit a written report to the director setting forth its findings of fact, conclusions of law, and recommendations for action. The director may approve, modify, or disapprove the recommendations. If the director modifies or disapproves the recommendations, the director shall state the reasons for the modification or disapproval and the actions to be taken against the responsible entity county grantee.

(10) The director's approval, modification, or disapproval under division (D)(9) of this section shall be final and binding on the responsible entity county grantee and shall not be subject to further departmental review.

(E) The responsible entity county grantee is not entitled to an administrative review under division (D) of this section for any of the following:

(1) An action taken under division (C)(6) of this section;

(2) An action taken under section 5101.242 of the Revised Code;

(3) An action taken under division (C)(3) of this section if the federal government, auditor of state, or entity other than the department has identified the responsible county family services agency grantee as being solely or partially responsible for an adverse audit finding, adverse quality control finding, final disallowance of federal financial participation, or other sanction or penalty;

(4) An adjustment to an allocation, cash draw, advance, or reimbursement to a responsible county family services agency grantee that the department determines necessary for budgetary reasons;

(5) Withholding of a cash draw or reimbursement due to noncompliance with a reporting requirement established in rules adopted under section 5101.243 of the Revised Code.

(F) This section does not apply to other actions the department takes against the responsible entity county grantee pursuant to authority granted by another state law unless the other state law requires the department to take the action in accordance with this section.

(G) 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. 5101.242. The department of job and family services may certify a claim to the attorney general under section 131.02 of the Revised Code for

the attorney general to take action under that section against a responsible county grantee or responsible entity to recover any funds that the department determines the responsible county grantee or responsible entity owes the department for actions taken under division (C)(2), (3), (4), or (5) of section 5101.24 or 5101.241 of the Revised Code.

Sec. 5101.244. If ~~a county family services agency submits an expenditure report to the department of job and family services and the department subsequently~~ determines that a grant awarded to a county grantee in a grant agreement entered into under section 5101.21 of the Revised Code, an allocation, advance, or reimbursement the department makes to ~~the a county family services agency, or a cash draw the a county family services agency makes, for an expenditure~~ exceeds the allowable amount for the expenditure grant, allocation, advance, reimbursement, or cash draw, the department may adjust, offset, withhold, or reduce an allocation, cash draw, advance, reimbursement, or other financial assistance to the county grantee or county family services agency as necessary to recover the amount of the excess grant, allocation, advance, reimbursement, or cash draw. The department is not required to make the adjustment, offset, withholding, or reduction in accordance with section 5101.24 of the Revised Code.

The director of job and family services may adopt rules under section 111.15 of the Revised Code as necessary to implement this section. The director shall adopt the rules as if they were internal management rules.

Sec. 5101.26. As used in this section and in sections 5101.27 to 5101.30 of the Revised Code:

(A) "County agency" means a county department of job and family services or a public children services agency.

(B) "Fugitive felon" means an individual who is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual is fleeing, for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual is fleeing or, in the case of New Jersey, a high misdemeanor, regardless of whether the individual has departed from the individual's usual place of residence.

(C) "Information" means records as defined in section 149.011 of the Revised Code, any other documents in any format, and data derived from records and documents that are generated, acquired, or maintained by the department of job and family services, a county agency, or an entity performing duties on behalf of the department or a county agency.

(D) "Law enforcement agency" means the state highway patrol, an

agency that employs peace officers as defined in section 109.71 of the Revised Code, the adult parole authority, a county department of probation, a prosecuting attorney, the attorney general, similar agencies of other states, federal law enforcement agencies, and postal inspectors. "Law enforcement agency" includes the peace officers and other law enforcement officers employed by the agency.

(E) "Medical assistance provided under a public assistance program" means medical assistance provided under the programs established under sections 5101.49, 5101.50 to 5101.503, ~~and~~ 5101.51 to 5101.5110, and 5101.52 to 5101.529, Chapters 5111. and 5115., or any other provision of the Revised Code.

(F) "Public assistance" means financial assistance, medical assistance, or social services provided under a program administered by the department of job and family services or a county agency pursuant to Chapter 329., 5101., 5104., 5107., 5108., 5111., or 5115. of the Revised Code or an executive order issued under section 107.17 of the Revised Code.

(G) "Public assistance recipient" means an applicant for or recipient or former recipient of public assistance.

Sec. 5101.27. (A) Except as permitted by this section, section 5101.272, 5101.28, or 5101.29 of the Revised Code, or the rules adopted under division (A) of section 5101.30 of the Revised Code, or required by federal law, no person or government entity shall solicit, disclose, receive, use, or knowingly permit, or participate in the use of any information regarding a public assistance recipient for any purpose not directly connected with the administration of a public assistance program.

(B) To the extent permitted by federal law, the department of job and family services and county agencies shall do all of the following:

(1) Release information regarding a public assistance recipient for purposes directly connected to the administration of the program to a government entity responsible for administering that public assistance program;

(2) Provide information regarding a public assistance recipient to a law enforcement agency for the purpose of any investigation, prosecution, or criminal or civil proceeding relating to the administration of that public assistance program;

(3) Provide, for purposes directly connected to the administration of a program that assists needy individuals with the costs of public utility services, information regarding a recipient of financial assistance provided under a program administered by the department or a county agency pursuant to Chapter 5107. or 5108. of the Revised Code or sections 5115.01

to 5115.07 of the Revised Code to an entity administering the public utility services program.

(C) To the extent permitted by federal law and section 1347.08 of the Revised Code, the department and county agencies shall provide access to information regarding a public assistance recipient to all of the following:

- (1) The recipient;
- (2) The authorized representative;
- (3) The legal guardian of the recipient;
- (4) The attorney of the recipient, if the attorney has written authorization that complies with section 5101.271 of the Revised Code from the recipient.

(D) To the extent permitted by federal law and subject to division (E) of this section, the department and county agencies may do both of the following:

(1) Release information about a public assistance recipient if the recipient gives voluntary, written authorization that complies with section 5101.271 of the Revised Code;

(2) Release information regarding a public assistance recipient to a state, federal, or federally assisted program that provides cash or in-kind assistance or services directly to individuals based on need or for the purpose of protecting children to a government entity responsible for administering a children's protective services program.

(E) Except when the release is required by division (B), (C), or (D)(2) of this section, the department or county agency shall release the information only in accordance with the authorization. The department or county agency shall provide, at no cost, a copy of each written authorization to the individual who signed it.

(F) The department or county agency may release information under division (D) of this section concerning the receipt of medical assistance provided under a public assistance program only if all of the following conditions are met:

(1) The release of information is for purposes directly connected to the administration of or provision of medical assistance provided under a public assistance program;

(2) The information is released to persons or government entities that are subject to standards of confidentiality and safeguarding information substantially comparable to those established for medical assistance provided under a public assistance program;

(3) The department or county agency has obtained an authorization consistent with section 5101.271 of the Revised Code.

(G) Information concerning the receipt of medical assistance provided under a public assistance program may be released only if the release complies with this section and rules adopted by the department pursuant to section 5101.30 of the Revised Code or, if more restrictive, the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191, 110 Stat. 1955, 42 U.S.C. 1320d, et seq., as amended, and regulations adopted by the United States department of health and human services to implement the act.

(H) The department of job and family services may adopt rules defining "authorized representative" for purposes of division (C)(2) of this section.

Sec. 5101.272. Not later than August 31, 2007, the director of job and family services shall submit a report to the general assembly on the costs and potential three-year cost savings associated with participation in the federally-administered public assistance reporting information system. If cost savings are indicated in the report, not later than October 1, 2007, the department of job and family services shall enter into any necessary agreements with the United States department of health and human services and neighboring states to join and participate as an active member in the public assistance reporting information system. The department may disclose information regarding a public assistance recipient to the extent necessary to participate as an active member in the public assistance reporting information system.

Sec. 5101.47. (A) Except as provided in division (B) of this section, the director of job and family services may accept applications, determine eligibility, redetermine eligibility, and perform related administrative activities for one or more of the following:

(1) The medicaid program established by Chapter 5111. of the Revised Code;

(2) The children's health insurance program parts I ~~and~~ II, ~~and~~ III provided for under sections 5101.50 ~~and~~ 5101.51, ~~and~~ 5101.52 of the Revised Code;

(3) Publicly funded child care provided under Chapter 5104. of the Revised Code;

(4) The food stamp program administered by the department of job and family services pursuant to section 5101.54 of the Revised Code;

(5) Other programs the director determines are supportive of children, adults, or families;

(6) Other programs regarding which the director determines administrative cost savings and efficiency may be achieved through the department accepting applications, determining eligibility, redetermining

eligibility, or performing related administrative activities.

(B) If federal law requires a face-to-face interview to complete an eligibility determination for a program specified in or pursuant to division (A) of this section, the face-to-face interview shall not be conducted by the department of job and family services.

(C) Subject to division (B) of this section, if the director elects to accept applications, determine eligibility, redetermine eligibility, and perform related administrative activities for a program specified in or pursuant to division (A) of this section, both of the following apply:

(1) An individual seeking services under the program may apply for the program to the director or to the entity that state law governing the program authorizes to accept applications for the program.

(2) The director is subject to federal statutes and regulations and state statutes and rules that require, permit, or prohibit an action regarding accepting applications, determining or redetermining eligibility, and performing related administrative activities for the program.

(D) The director may adopt rules as necessary to implement this section.

Sec. 5101.50. (A) As used in ~~this section and in~~ sections ~~5101.51~~ ~~5101.50~~ to ~~5101.5110~~ 5101.529 of the Revised Code:

(1) "Children's health insurance program" means the program authorized by Title XXI of the "Social Security Act," 111 Stat. 552 (1997), 42 U.S.C.A. 1397aa.

(2) "Federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

(B) The director of job and family services may continue to operate the children's health insurance program initially authorized by an executive order issued under section 107.17 of the Revised Code as long as federal financial participation is available for the program. If operated, the program shall provide health assistance to uninsured individuals under nineteen years of age with family incomes not exceeding one hundred fifty per cent of the federal poverty guidelines. In accordance with 42 U.S.C.A. 1397aa, the director may provide for the health assistance to meet the requirements of 42 U.S.C.A. 1397cc, to be provided under the medicaid program established under Chapter 5111. of the Revised Code, or to be a combination of both.

Sec. 5101.52. In accordance with federal law governing the children's health insurance program, the director of job and family services may submit a request for a federal waiver to the United States secretary of health and human services to provide, except as provided in section 5101.526 of the Revised Code, health assistance to individuals under nineteen years of age with family incomes above two hundred per cent of the federal poverty

guidelines but not exceeding three hundred per cent of the federal poverty guidelines. If the director submits the plan, the director shall stipulate in the plan that the health assistance will be available only while federal financial participation is available for it and that health assistance shall not begin before January 1, 2008.

Sec. 5101.521. Health assistance provided under section 5101.52 of the Revised Code shall be known as the children's health insurance program part III.

Sec. 5101.522. If the director of job and family services submits a waiver request to the United States secretary of health and human services under section 5101.52 of the Revised Code and the secretary grants the waiver, the director shall implement the children's health insurance program part III in accordance with the waiver. The director may adopt rules in accordance with Chapter 119. of the Revised Code as necessary for the efficient administration of the program, including rules that establish all of the following:

(A) The conditions under which health assistance services will be reimbursed;

(B) The method of reimbursement applicable to services reimbursable under the program;

(C) The amount of reimbursement, or the method by which the amount is to be determined, for each reimbursable service.

Sec. 5101.523. The director of job and family services may contract with a government entity or person to perform the director's administrative duties regarding the children's health insurance program part III, other than the duty to submit a waiver request to the United States secretary of health and human services under section 5101.52 of the Revised Code and the duty to adopt rules under section 5101.522 of the Revised Code.

Sec. 5101.524. In accordance with 42 U.S.C. 1397aa, the director of job and family services shall provide for health assistance under the children's health insurance program part III to meet the requirements of 42 U.S.C. 1397cc, to be provided under the medicaid program established under Chapter 5111. of the Revised Code, or to be a combination of both.

Sec. 5101.525. The director of job and family services may determine applicants' eligibility for the children's health insurance program part III by any of the following means:

(A) Using employees of the department of job and family services;

(B) Assigning the duty to county departments of job and family services;

(C) Contracting with a government entity or person.

Sec. 5101.526. If the director of job and family services determines that federal financial participation for the children's health insurance program part III is insufficient to provide health assistance to all the individuals the director anticipates are eligible for the program, the director may refuse to accept new applications for the program or may make the program's eligibility requirements more restrictive.

Sec. 5101.527. To the extent permitted by 42 U.S.C. 1397cc(e), the director of job and family services shall require an individual receiving health assistance under the children's health insurance program part III to pay the following as a term of participation in the program:

(A) A premium of not less than forty dollars per month for a family with one individual receiving health assistance under the program;

(B) A premium of not less than eighty dollars per month for a family with two individuals receiving health assistance under the program;

(C) A premium of not less than one hundred twenty dollars per month for a family with three or more individuals receiving health assistance under the program.

Sec. 5101.528. If the children's health insurance program part III is not provided under the medicaid program established under Chapter 5111. of the Revised Code, the director of job and family services shall establish an appeal process for individuals aggrieved by a decision made regarding eligibility for the children's health insurance program part III. The process may be identical to, similar to, or different from the appeal process established by section 5101.35 of the Revised Code.

Sec. 5101.529. A completed application for the medicaid program under Chapter 5111. of the Revised Code shall be treated as an application for health assistance under the children's health insurance program part III.

Sec. 5101.5211. (A) As used in sections 5101.5211 to 5101.5216 of the Revised Code:

"Children's buy-in program" means the program established under sections 5101.5211 to 5101.5216 of the Revised Code.

"Countable income" has the meaning established in rules adopted under section 5101.5215 of the Revised Code.

"Creditable coverage" has the same meaning as in 42 U.S.C. 300gg(c)(1), except that it does not mean medical assistance available under the children's buy-in program or the program for medically handicapped children.

"Family" has the meaning established in rules adopted under section 5101.5215 of the Revised Code.

"Federal poverty guidelines" has the same meaning as in section

5101.46 of the Revised Code.

"Program for medically handicapped children" means the program established under sections 3701.021 to 3701.0210 of the Revised Code.

(B) The director of job and family services shall establish the children's buy-in program in accordance with sections 5101.5211 to 5101.5216 of the Revised Code. The director shall submit to the United States secretary of health and human services an amendment to the state medicaid plan, an amendment to the state child health plan, one or more requests for a federal waiver, or such an amendment and waiver requests as necessary to seek federal matching funds for the children's buy-in program. The director shall not begin implementation of the program until after submitting the amendment, waiver request, or both. The director may begin implementation of the program before receiving approval of the amendment, waiver request, or both using state funds only. The director shall implement the program regardless of whether the amendment, waiver request, or both are denied. The program shall be funded with state funds only if the United States secretary denies federal matching funds for the program.

Sec. 5101.5212. Under the children's buy-in program and subject to section 5101.5213 of the Revised Code, an individual who does both of the following in accordance with rules adopted under section 5101.5215 of the Revised Code qualifies for medical assistance under the program:

(A) Applies for the children's buy-in program;

(B) Provides satisfactory evidence of all of the following:

(1) That the individual is under nineteen years of age;

(2) That the individual's countable income exceeds three hundred per cent of the federal poverty guidelines;

(3) That the individual has not had creditable coverage for at least six months before enrolling in the children's buy-in program;

(4) That one or more of the following apply to the individual:

(a) The individual is unable to obtain creditable coverage due to a pre-existing condition of the individual;

(b) The individual lost the only creditable coverage available to the individual because the individual has exhausted a lifetime benefit limitation;

(c) The premium for the only creditable coverage available to the individual is greater than two hundred per cent of the premium applicable to the individual under the children's buy-in program;

(d) The individual participates in the program for medically handicapped children.

(5) That the individual meets the additional eligibility requirements for the children's buy-in program established in rules adopted under section

5101.5215 of the Revised Code.

Sec. 5101.5213. (A) An individual participating in the children's buy-in program shall be charged a monthly premium established by rules adopted under section 5101.5215 of the Revised Code. The amount of the monthly premium shall not be less than the following:

(1) In the case of an individual with countable income exceeding three hundred per cent but not exceeding four hundred per cent of the federal poverty guidelines, the following amount:

(a) If no other member of the individual's family receives medical assistance under the program with the individual, one hundred dollars;

(b) If one or more members of the individual's family receive medical assistance under the program with the individual, one hundred fifty dollars.

(2) In the case of an individual with countable income exceeding four hundred per cent but not exceeding five hundred per cent of the federal poverty guidelines, the following amount:

(a) If no other member of the individual's family receives medical assistance under the program with the individual, one hundred twenty-five dollars;

(b) If one or more members of the individual's family receive medical assistance under the program with the individual, one hundred seventy-five dollars.

(3) In the case of an individual with countable income exceeding five hundred per cent of the federal poverty guidelines, the full amount of the actuarially determined cost of the premium.

(B) If the premium for the children's buy-in program is not paid for two consecutive months, the individual shall lose eligibility for the program. The individual may not resume participation in the program until the unpaid premiums that accrued before the individual lost eligibility are paid.

Sec. 5101.5214. (A) An individual participating in the children's buy-in program may be charged co-payments to the extent required by rules, if any, adopted under division (B) of section 5101.5215 of the Revised Code.

(B) Notwithstanding division (B) of section 5111.0112 of the Revised Code, if applicable, and to the extent permitted by federal law, a provider may refuse to provide a service to an individual if a co-payment authorized by this section is not paid.

Sec. 5101.5215. (A) The director of job and family services shall adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement the children's buy-in program, including rules that do all of the following:

(1) Establish the meaning of "countable income" and "family";

(2) For the purpose of section 5101.5212 of the Revised Code, establish additional eligibility requirements for the program;

(3) For the purpose of section 5101.5213 of the Revised Code, establish monthly premiums for the children's buy-in program.

(B) The director may adopt rules in accordance with Chapter 119. of the Revised Code to establish co-payment requirements for individuals participating in the children's buy-in program.

Sec. 5101.5216. The director of job and family services shall prepare a report on the children's buy-in program that examines the program's effectiveness and includes the number of individuals participating in the program and the costs of the program. The director shall submit the report to the governor and general assembly not later than December 31, 2008.

Sec. 5101.541. The food stamp program fund is hereby created in the state treasury. The fund shall consist of federal reimbursement for food stamp program administrative expenses and other food stamp program expenses. The department of job and family services shall use the money credited to the fund to pay for food stamp program administrative expenses and other food stamp program expenses.

Sec. 5101.571. As used in sections 5101.571 to ~~5101.59~~ 5101.591 of the Revised Code:

(A) "Information" means all of the following:

(1) An individual's name, address, date of birth, and social security number;

(2) The group or plan number, or other identifier, assigned by a third party to a policy held by an individual or a plan in which the individual participates and the nature of the coverage;

(3) Any other data the director of job and family services specifies in rules adopted under section 5101.591 of the Revised Code.

(B) "Medical assistance" means medical items or services provided under any of the following:

(1) Medicaid, as defined in section 5111.01 of the Revised Code;

(2) The children's health insurance program part I, part II, and part III established under sections 5101.50 to 5101.529 of the Revised Code;

(3) The disability medical assistance program established under Chapter 5115. of the Revised Code.

(C) "Medical support" means support specified as support for the purpose of medical care by order of a court or administrative agency.

~~(B) "Third party"~~ (D) "Public assistance" means medical assistance or assistance under the Ohio works first program established under Chapter 5107. of the Revised Code.

(E)(1) Subject to division (E)(2) of this section, and except as provided in division (E)(3) of this section, "third party" means any health insurer as defined in section 3924.41 of the Revised Code, individual, entity, or public or private program, that is or may be liable to pay all or part of the medical cost of injury, disease, or disability of an applicant or recipient. "Third party" includes any such insurer, individual, entity, or program that would have been obligated to pay for the service, even when such third party limits or excludes payments in the case of an individual who is eligible for medicaid: all of the following:

(a) A person authorized to engage in the business of sickness and accident insurance under Title XXXIX of the Revised Code;

(b) A person or governmental entity providing coverage for medical services or items to individuals on a self-insurance basis;

(c) A health insuring corporation as defined in section 1751.01 of the Revised Code;

(d) A group health plan as defined in 29 U.S.C. 1167;

(e) A service benefit plan as referenced in 42 U.S.C. 1396a(a)(25);

(f) A managed care organization;

(g) A pharmacy benefit manager;

(h) A third party administrator;

(i) Any other person or governmental entity that is, by law, contract, or agreement, responsible for the payment or processing of a claim for a medical item or service for a public assistance recipient or participant.

(2) Except when otherwise provided by 42 U.S.C. 1395y(b), a person or governmental entity listed in division (E)(1) of this section is a third party even if the person or governmental entity limits or excludes payments for a medical item or service in the case of a public assistance recipient.

(3) "Third party" does not include the program for medically handicapped children established under section 3701.023 of the Revised Code.

Sec. 5101.572. Upon the request of the department of job and family services, any (A) A third party as defined in section 5101.571 of the Revised Code shall cooperate with the department of job and family services in identifying individuals for the purpose of establishing third party liability pursuant to Title XIX of the Social Security Act, as amended. The

(B) In furtherance of the requirement in division (A) of this section and to allow the department to determine any period that the individual or the individual's spouse or dependent may have been covered by the third party and the nature of the coverage, a third party shall provide, as the department so chooses, information or access to information, or both, in the third party's

electronic data system on the department's request and in accordance with division (C) of this section.

(C)(1) If the department chooses to receive information directly, the third party shall provide the information under all of the following circumstances:

(a) In a medium, format, and manner prescribed by the director of job and family services in rules adopted under section 5101.591 of the Revised Code;

(b) Free of charge;

(c) Not later than the end of the thirtieth day after the department makes its request, unless a different time is agreed to by the director in writing.

(2) If the department chooses to receive access to information, the third party shall provide access by a method prescribed by the director of job and family services in rules adopted under section 5101.591 of the Revised Code. In facilitating access, the department may enter into a trading partner agreement with the third party to permit the exchange of information via "ASC X 12N 270/271 Health Care Eligibility Benefit Inquiry and Response" transactions.

(D) All of the following apply with respect to information provided by a third party to the department under this section:

(1) The information is confidential and not a public record under section 149.43 of the Revised Code.

(2) The release of information to the department is not to be considered a violation of any right of confidentiality or contract that the third party may have with covered persons including, but not limited to, contractees, beneficiaries, heirs, assignees, and subscribers.

(3) The third party is immune from any liability that it may otherwise incur through its release of information to the department.

The department of job and family services shall limit its use of information gained from third parties to purposes directly connected with the administration of the medicaid program. No

(E) No third party shall disclose to other parties or make use of any information regarding recipients of aid under Chapter 5107. or 5111. of the Revised Code that it obtains from the department of job and family services, except in the manner provided for by the director of job and family services in administrative rules. Any information provided by a third party to the department of job and family services shall not be considered a violation of any right of confidentiality or contract that the third party may have with covered persons including, but not limited to, contractees, beneficiaries, heirs, assignees, and subscribers. The third party is immune from any

~~liability that it may otherwise incur through its release of information to the department of job and family services.~~

Sec. 5101.573. (A) Subject to divisions (B) and (C) of this section, a third party shall do all of the following:

(1) Accept the department of job and family services' right of recovery under section 5101.58 of the Revised Code and the assignment of rights to the department that are described in section 5101.59 of the Revised Code.

(2) Respond to an inquiry by the department regarding a claim for payment of a medical item or service that was submitted to the third party not later than three years after the date of the provision of such medical item or service;

(3) Pay a claim described in division (A)(2) of this section;

(4) Not deny a claim submitted by the department solely on the basis of the date of submission of the claim, type or format of the claim form, or a failure by the medical assistance recipient who is the subject of the claim to present proper documentation of coverage at the time of service, if both of the following are true:

(a) The claim was submitted by the department not later than three years after the date of the provision of the medical item or service;

(b) An action by the department to enforce its right of recovery under section 5101.58 of the Revised Code on the claim was commenced not later than six years after the department's submission of the claim.

(B) For purposes of the requirements in division (A) of this section, a third party shall treat a managed care organization as the department for a claim in which both of the following are true:

(1) The individual who is the subject of the claim received a medical item or service through a managed care organization that has entered into a contract with the department of job and family services under section 5111.16 of the Revised Code;

(2) The department has assigned its right of recovery for the claim to the managed care organization.

(C) The time limitations associated with the requirements in divisions (A)(2) and (A)(4) of this section apply only to submissions of claims to, and payments of claims by, a health insurer to which 42 U.S.C. 1396a(a)(25)(I) applies.

Sec. 5101.574. No third party shall consider whether an individual is eligible for or receives medical assistance when either of the following applies:

(A) The individual seeks to obtain a policy or enroll in a plan or program operated or administered by the third party;

(B) The individual, or a person or governmental entity on the individual's behalf, seeks payment for a medical item or service provided to the individual.

Sec. 5101.575. (A) If a third party violates section 5101.572, 5101.573, or 5101.574 of the Revised Code, a governmental entity that is responsible for issuing a license, certificate of authority, registration, or approval that authorizes the third party to do business in this state may impose a fine against the third party or deny, revoke, or terminate the third party's license, certificate, registration, or approval to do business in this state. The governmental entity shall determine which sanction is to be imposed. All actions to impose the sanction shall be taken in accordance with Chapter 119. of the Revised Code.

(B) In addition to the sanctions that may be imposed under division (A) of this section for a violation of section 5101.572, 5101.573, or 5101.574 of the Revised Code, the attorney general may petition a court of common pleas to enjoin the violation.

~~Sec. 5101.58. As used in this section and section 5101.59 of the Revised Code, "public assistance" means aid provided under Chapter 5111. or 5115. of the Revised Code and participation in the Ohio works first program established under Chapter 5107. of the Revised Code.~~

(A) The acceptance of public assistance gives a ~~an~~ automatic right of recovery to the department of job and family services and a county department of job and family services against the liability of a third party for the cost of medical ~~services and care arising out of injury, disease, or disability~~ assistance paid on behalf of the public assistance recipient or participant. When an action or claim is brought against a third party by a public assistance recipient or participant, ~~the entire amount of any payment,~~ settlement or compromise of the action or claim, or any court award or judgment, is subject to the recovery right of the department of job and family services or county department of job and family services. Except in the case of a recipient or participant who receives medical ~~services or care~~ assistance through a managed care organization, the department's or county department's claim shall not exceed the amount of medical ~~expenses~~ assistance paid by ~~the departments~~ a department on behalf of the recipient or participant. ~~In~~ A payment, settlement, compromise, judgment, or award that excludes the cost of medical assistance paid for by a department shall not preclude a department from enforcing its rights under this section.

(B) In the case of a recipient or participant who receives medical ~~services or care~~ assistance through a managed care organization, the amount of the department's or county department's claim shall be the amount the

managed care organization pays for medical ~~services or care~~ assistance rendered to the recipient or participant, even if that amount is more than the amount ~~the departments pay~~ a department pays to the managed care organization for the recipient's or participant's medical ~~services or care~~. ~~Any settlement, compromise, judgment, or award that excludes the cost of medical services or care shall not preclude the departments from enforcing their rights under this section~~ assistance.

~~Prior to initiating any~~ (C) A recipient or participant, and the recipient's or participant's attorney, if any, shall cooperate with the departments. In furtherance of this requirement, the recipient or participant, or the recipient's or participant's attorney, if any, shall, not later than thirty days after initiating informal recovery activity or filing a legal recovery action, the recipient or participant, or the recipient's or participant's representative, shall disclose against a third party, provide written notice of the activity or action to the appropriate department or departments as follows:

(1) To only the department of job and family services when medical assistance under medicaid has been paid;

(2) To the department of job and family services and the appropriate county department of job and family services when medical assistance under the disability medical assistance program has been paid.

~~(D) The written notice that must be given under division (C) of this section shall disclose the identity and address of any third party against whom the recipient or participant has or may have a right of recovery. Disclosure shall be made to the department of job and family services when medical expenses have been paid pursuant to Chapter 5111. or 5115. of the Revised Code. Disclosure shall be made to both the department of job and family services and the appropriate county department of job and family services when medical expenses have been paid pursuant to Chapter 5115. of the Revised Code. No~~

(E) No settlement, compromise, judgment, or award or any recovery in any action or claim by a recipient or participant where the departments have a right of recovery shall be made final without first giving the appropriate departments written notice as described in division (C) of this section and a reasonable opportunity to perfect their rights of recovery. If the departments are not given the appropriate written notice, the recipient or participant ~~is and, if there is one, the recipient's or participant's attorney, are~~ liable to reimburse the departments for the recovery received to the extent of medical payments made by the departments. The

(F) The departments shall be permitted to enforce their recovery rights against the third party even though they accepted prior payments in

discharge of their rights under this section if, at the time the departments received such payments, they were not aware that additional medical expenses had been incurred but had not yet been paid by the departments. The third party becomes liable to the department of job and family services or county department of job and family services as soon as the third party is notified in writing of the valid claims for recovery under this section.

~~The (G)(1) Subject to division (G)(2) of this section, the right of recovery of a department does not apply to that portion of any judgment, award, settlement, or compromise of a claim, to the extent of attorneys' fees, costs, or other expenses incurred by a recipient or participant in securing the judgment, award, settlement, or compromise, or to the extent of medical, surgical, and hospital expenses paid by such recipient or participant from the recipient's or participant's own resources. Attorney fees and costs or other expenses in securing any recovery shall not be assessed against any claims of the departments.~~

~~To (2) Reasonable attorneys' fees, not to exceed one-third of the total judgment, award, settlement, or compromise, plus costs and other expenses incurred by the recipient or participant in securing the judgment, award, settlement, or compromise, shall first be deducted from the total judgment, award, settlement, or compromise. After fees, costs, and other expenses are deducted from the total judgment, award, settlement, or compromise, the department of job and family services or appropriate county department of job and family services shall receive no less than one-half of the remaining amount, or the actual amount of medical assistance paid, whichever is less.~~

~~(H) A right of recovery created by this section may be enforced separately or jointly by the department of job and family services or the appropriate county department of job and family services. To enforce their recovery rights, the departments may do any of the following:~~

~~(A)(1) Intervene or join in any action or proceeding brought by the recipient or participant or on the recipient's or participant's behalf against any third party who may be liable for the cost of medical services and care arising out of the recipient's or participant's injury, disease, or disability assistance paid;~~

~~(B)(2) Institute and pursue legal proceedings against any third party who may be liable for the cost of medical services and care arising out of the recipient's or participant's injury, disease, or disability assistance paid;~~

~~(C)(3) Initiate legal proceedings in conjunction with the any injured, diseased, or disabled recipient or participant or the recipient's or participant's legal attorney or representative.~~

~~Recovery rights created by this section may be enforced separately or~~

~~jointly by the department of job and family services and the county department of job and family services.~~

(I) A recipient or participant shall not assess attorney fees, costs, or other expenses against the department of job and family services or a county department of job and family services when the department or county department enforces its right of recovery created by this section.

(J) The right of recovery given to the department under this section does not include rights to support from any other person assigned to the state under sections 5107.20 and 5115.07 of the Revised Code, but includes payments made by a third party under contract with a person having a duty to support.

~~The director of job and family services may adopt rules in accordance with Chapter 119. of the Revised Code the department considers necessary to implement this section.~~

Sec. 5101.59. (A) The application for, or acceptance of, public assistance constitutes an automatic assignment of certain rights to the department of job and family services. This assignment includes the rights of the applicant, recipient, or participant and also the rights of any other member of the assistance group for whom the applicant, recipient, or participant can legally make an assignment.

(B) Pursuant to this section, the applicant, recipient, or participant assigns to the department any rights to medical support available to the applicant, recipient, or participant or for other members of the assistance group under an order of a court or administrative agency, and any rights to payments from any by a liable third party liable to pay for the cost of medical care and services arising out of injury, disease, or disability of the applicant, recipient, participant, or other members of the assistance group assistance paid on behalf of a public assistance recipient or participant. The recipient or participant shall cooperate with the department in obtaining such payments.

Medicare benefits shall not be assigned pursuant to this section. Benefits assigned to the department by operation of this section are directly reimbursable to the department by liable third parties.

~~(B)~~(C) Refusal by the applicant, recipient, or participant to cooperate in obtaining medical support and payments assistance paid for self or any other member of the assistance group renders the applicant, recipient, or participant ineligible for public assistance, unless cooperation is waived by the department. Eligibility shall continue for any individual who cannot legally assign the individual's own rights and who would have been eligible for public assistance but for the refusal to assign the individual's rights or to

cooperate as required by this section by another person legally able to assign the individual's rights.

(D) If the applicant, recipient, or participant or any member of the assistance group becomes ineligible for public assistance, the department shall restore to the applicant, recipient, participant, or member of the assistance group any future rights to benefits assigned under this section.

(E) The rights of assignment given to the department under this section do not include rights to support assigned under section 5107.20 or 5115.07 of the Revised Code.

~~(C) The director of job and family services may adopt rules in accordance with Chapter 119. of the Revised Code to implement this section, including rules that specify what constitutes cooperating with efforts to obtain medical support and payments and when the cooperation requirement may be waived.~~

Sec. 5101.591. (A) Except as provided in division (B) of this section, the director of job and family services may adopt rules in accordance with Chapter 119. of the Revised Code to implement sections 5101.571 to 5101.59 of the Revised Code, including rules that specify what constitutes cooperating with efforts to obtain support or payments, or medical assistance payments, and when cooperation may be waived.

(B) The department shall adopt rules in accordance with Chapter 119. of the Revised Code to do all of the following:

(1) For purposes of the definition of "information" in division (A) of section 5101.571 of the Revised Code, any data other than the data specified in that division that should be included in the definition.

(2) For purposes of division (C)(1)(a) of section 5101.572 of the Revised Code, the medium, format, and manner in which a third party must provide information to the department.

(3) For purposes of division (C)(2) of section 5101.572 of the Revised Code, the method by which a third party must provide the department with access to information.

Sec. 5101.802. (A) As used in this section:

(1) "Custodian," "guardian," and "minor child" have the same meanings as in section 5107.02 of the Revised Code.

(2) "Federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

(3) "Kinship caregiver" has the same meaning as in section 5101.85 of the Revised Code.

(B) Subject to division (E) of section 5101.801 of the Revised Code, there is hereby created the kinship permanency incentive program to

promote permanency for a minor child in the legal and physical custody of a kinship caregiver. The program shall provide an initial one-time incentive payment to the kinship caregiver to defray the costs of initial placement of the minor child in the kinship caregiver's home. The program may provide additional permanency incentive payments for the minor child at six month intervals for a total period not to exceed thirty-six months.

(C) A kinship caregiver may participate in the program if all of the following requirements are met:

(1) The kinship caregiver applies to a public children services agency in accordance with the application process established in rules authorized by division (E) of this section;

~~(2) The minor child the kinship caregiver is caring for is a child with special needs as that term is defined in rules adopted under section 5153.163 of the Revised Code;~~

~~(3) A Not earlier than July 1, 2005, a juvenile court has adjudicated the minor child to be an abused, neglected, dependent, or unruly child and determined that it is in the child's best interest to be in the issues an order granting legal custody of to the kinship caregiver, or the a probate court has determined that it is in the child's best interest to be in the guardianship of grants guardianship to the kinship caregiver, except that a temporary court order is not sufficient to meet this requirement;~~

~~(4)(3) The kinship caregiver is either the minor child's custodian or guardian;~~

~~(5)(4) The minor child resides with the kinship caregiver pursuant to a placement approval process established in rules authorized by division (E) of this section;~~

~~(6) The (5) Excluding any income excluded under rules adopted under division (E) of this section, the gross income of the kinship caregiver's family, including the minor child, does not exceed ~~two~~ three hundred per cent of the federal poverty guidelines.~~

(D) Public children services agencies shall make initial and ongoing eligibility determinations for the kinship permanency incentive program in accordance with rules authorized by division (E) of this section. The director of job and family services shall supervise public children services agencies' duties under this section.

(E) The director of job and family services shall adopt rules under division (C) of section 5101.801 of the Revised Code as necessary to implement the kinship permanency incentive program. The rules shall establish all of the following:

(1) The application process for the program;

(2) The placement approval process through which a minor child is placed with a kinship caregiver for the kinship caregiver to be eligible for the program;

(3) The initial and ongoing eligibility determination process for the program, including the computation of income eligibility;

(4) The amount of the incentive payments provided under the program;

(5) The method by which the incentive payments are provided to a kinship caregiver;

~~(6) Anything else the director considers necessary to implement the program.~~

~~(F) The director shall begin implementation of the kinship permanency incentive program no later than January 1, 2006. The amendments made to this section by Am. Sub. H.B. 119 of the 127th general assembly shall not affect the eligibility of any kinship caregiver whose eligibility was established before the effective date of the amendments.~~

Sec. 5101.98. (A) There is hereby created in the state treasury the military injury relief fund, which shall consist of money contributed to it under section 5747.113 of the Revised Code, of incentive grants authorized by the "Jobs for Veterans Act," 116 Stat. 2033 (2002), and of contributions made directly to it. Any person or entity may contribute directly to the fund in addition to or independently of the income tax refund contribution system established in section 5747.113 of the Revised Code.

(B) Upon application, the director of job and family services shall grant money in the fund to individuals injured while in active service as a member of the armed forces of the United States ~~and~~ while serving under operation Iraqi freedom or operation enduring freedom and to individuals diagnosed with post-traumatic stress disorder while serving, or after having served, in operation Iraqi freedom or operation enduring freedom.

(C) An individual who receives a grant under this section is ~~not~~ precluded from receiving ~~one or more~~ additional grants under this section ~~and~~ during the same state fiscal year but is not precluded from being considered for or receiving other assistance offered by the department of job and family services.

(D) The director shall adopt rules under Chapter 119. of the Revised Code establishing:

(1) Forms and procedures by which individuals may apply for a grant under this section;

(2) Criteria for reviewing, evaluating, and ~~ranking~~ approving or denying grant applications;

(3) Criteria for determining the amount of grants awarded under this

section; ~~and~~

(4) Definitions and standards applicable to determining whether an individual meets the requirements established in division (B) of this section;

(5) The process for appealing eligibility determinations; and

(6) Any other rules necessary to administer the grant program established in this section.

(E) An eligibility determination, a grant approval, or a grant denial made under this section may not be appealed under Chapter 119., section 5101.35, or any other provision of the Revised Code.

Sec. 5104.04. (A) The department of job and family services shall establish procedures to be followed in investigating, inspecting, and licensing child day-care centers and type A family day-care homes.

(B)(1)(a) The department shall, at least twice during every twelve-month period of operation of a center or type A home, inspect the center or type A home. The department shall inspect a part-time center or part-time type A home at least once during every twelve-month period of operation. The department shall provide a written inspection report to the licensee within a reasonable time after each inspection. The licensee shall display all written reports of inspections conducted during the current licensing period in a conspicuous place in the center or type A home.

At least one inspection shall be unannounced and all inspections may be unannounced. No person, firm, organization, institution, or agency shall interfere with the inspection of a center or type A home by any state or local official engaged in performing duties required of the state or local official by Chapter 5104. of the Revised Code or rules adopted pursuant to Chapter 5104. of the Revised Code, including inspecting the center or type A home, reviewing records, or interviewing licensees, employees, children, or parents.

(b) Upon receipt of any complaint that a center or type A home is out of compliance with the requirements of Chapter 5104. of the Revised Code or rules adopted pursuant to Chapter 5104. of the Revised Code, the department shall investigate the center or home, and both of the following apply:

(i) If the complaint alleges that a child suffered physical harm while receiving child care at the center or home or that the noncompliance alleged in the complaint involved, resulted in, or poses a substantial risk of physical harm to a child receiving child care at the center or home, the department shall inspect the center or home.

(ii) If division (B)(1)(b)(i) of this section does not apply regarding the complaint, the department may inspect the center or home.

(c) Division (B)(1)(b) of this section does not limit, restrict, or negate any duty of the department to inspect a center or type A home that otherwise is imposed under this section, or any authority of the department to inspect a center or type A home that otherwise is granted under this section when the department believes the inspection is necessary and it is permitted under the grant.

(2) If the department implements an instrument-based program monitoring information system, it may use an indicator checklist to comply with division (B)(1) of this section.

(3) The department shall, ~~at least once during every twelve-month period of operation of a center or type A home,~~ contract with a third party by the first day of October in each even-numbered year to collect information concerning the amounts charged by the center or home for providing child care services for use in establishing reimbursement ceilings and payment pursuant to section 5104.30 of the Revised Code. The third party shall compile the information and report the results of the survey to the department not later than the first day of December in each even-numbered year.

(C) In the event a licensed center or type A home is determined to be out of compliance with the requirements of Chapter 5104. of the Revised Code or rules adopted pursuant to Chapter 5104. of the Revised Code, the department shall notify the licensee of the center or type A home in writing regarding the nature of the violation, what must be done to correct the violation, and by what date the correction must be made. If the correction is not made by the date established by the department, the department may commence action under Chapter 119. of the Revised Code to revoke the license.

(D) The department may deny or revoke a license, or refuse to renew a license of a center or type A home, if the applicant knowingly makes a false statement on the application, does not comply with the requirements of Chapter 5104. or rules adopted pursuant to Chapter 5104. of the Revised Code, or has pleaded guilty to or been convicted of an offense described in section 5104.09 of the Revised Code.

(E) If the department finds, after notice and hearing pursuant to Chapter 119. of the Revised Code, that any person, firm, organization, institution, or agency licensed under section 5104.03 of the Revised Code is in violation of any provision of Chapter 5104. of the Revised Code or rules adopted pursuant to Chapter 5104. of the Revised Code, the department may issue an order of revocation to the center or type A home revoking the license previously issued by the department. Upon the issuance of any order of

revocation, the person whose license is revoked may appeal in accordance with section 119.12 of the Revised Code.

(F) The surrender of a center or type A home license to the department or the withdrawal of an application for licensure by the owner or administrator of the center or type A home shall not prohibit the department from instituting any of the actions set forth in this section.

(G) Whenever the department receives a complaint, is advised, or otherwise has any reason to believe that a center or type A home is providing child care without a license issued or renewed pursuant to section 5104.03 and is not exempt from licensing pursuant to section 5104.02 of the Revised Code, the department shall investigate the center or type A home and may inspect the areas children have access to or areas necessary for the care of children in the center or type A home during suspected hours of operation to determine whether the center or type A home is subject to the requirements of Chapter 5104. or rules adopted pursuant to Chapter 5104. of the Revised Code.

(H) The department, upon determining that the center or type A home is operating without a license, shall notify the attorney general, the prosecuting attorney of the county in which the center or type A home is located, or the city attorney, village solicitor, or other chief legal officer of the municipal corporation in which the center or type A home is located, that the center or type A home is operating without a license. Upon receipt of the notification, the attorney general, prosecuting attorney, city attorney, village solicitor, or other chief legal officer of a municipal corporation shall file a complaint in the court of common pleas of the county in which the center or type A home is located requesting that the court grant an order enjoining the owner from operating the center or type A home in violation of section 5104.02 of the Revised Code. The court shall grant such injunctive relief upon a showing that the respondent named in the complaint is operating a center or type A home and is doing so without a license.

(I) The department shall prepare an annual report on inspections conducted under this section. The report shall include the number of inspections conducted, the number and types of violations found, and the steps taken to address the violations. The department shall file the report with the governor, the president and minority leader of the senate, and the speaker and minority leader of the house of representatives on or before the first day of January of each year, beginning in 1999.

Sec. 5104.30. (A) The department of job and family services is hereby designated as the state agency responsible for administration and coordination of federal and state funding for publicly funded child care in

this state. Publicly funded child care shall be provided to the following:

(1) Recipients of transitional child care as provided under section 5104.34 of the Revised Code;

(2) Participants in the Ohio works first program established under Chapter 5107. of the Revised Code;

(3) Individuals who would be participating in the Ohio works first program if not for a sanction under section 5107.16 of the Revised Code and who continue to participate in a work activity, developmental activity, or alternative work activity pursuant to an assignment under section 5107.42 of the Revised Code;

(4) A family receiving publicly funded child care on October 1, 1997, until the family's income reaches one hundred fifty per cent of the federal poverty line;

(5) Subject to available funds, other individuals determined eligible in accordance with rules adopted under section 5104.38 of the Revised Code.

The department shall apply to the United States department of health and human services for authority to operate a coordinated program for publicly funded child care, if the director of job and family services determines that the application is necessary. For purposes of this section, the department of job and family services may enter into agreements with other state agencies that are involved in regulation or funding of child care. The department shall consider the special needs of migrant workers when it administers and coordinates publicly funded child care and shall develop appropriate procedures for accommodating the needs of migrant workers for publicly funded child care.

(B) The department of job and family services shall distribute state and federal funds for publicly funded child care, including appropriations of state funds for publicly funded child care and appropriations of federal funds available under the child care block grant act, Title IV-A, and Title XX. The department may use any state funds appropriated for publicly funded child care as the state share required to match any federal funds appropriated for publicly funded child care.

(C) In the use of federal funds available under the child care block grant act, all of the following apply:

(1) The department may use the federal funds to hire staff to prepare any rules required under this chapter and to administer and coordinate federal and state funding for publicly funded child care.

(2) Not more than five per cent of the aggregate amount of the federal funds received for a fiscal year may be expended for administrative costs.

(3) The department shall allocate and use at least four per cent of the

federal funds for the following:

(a) Activities designed to provide comprehensive consumer education to parents and the public;

(b) Activities that increase parental choice;

(c) Activities, including child care resource and referral services, designed to improve the quality, and increase the supply, of child care;

(d) Establishing a voluntary child day-care center quality-rating program in which participation in the program may allow a child day-care center to be eligible for grants, technical assistance, training, or other assistance and become eligible for unrestricted monetary awards for maintaining a quality rating.

(4) The department shall ensure that the federal funds will be used only to supplement, and will not be used to supplant, federal, state, and local funds available on the effective date of the child care block grant act for publicly funded child care and related programs. A county department of job and family services may purchase child care from funds obtained through any other means.

(D) The department shall encourage the development of suitable child care throughout the state, especially in areas with high concentrations of recipients of public assistance and families with low incomes. The department shall encourage the development of suitable child care designed to accommodate the special needs of migrant workers. On request, the department, through its employees or contracts with state or community child care resource and referral service organizations, shall provide consultation to groups and individuals interested in developing child care. The department of job and family services may enter into interagency agreements with the department of education, the board of regents, the department of development, and other state agencies and entities whenever the cooperative efforts of the other state agencies and entities are necessary for the department of job and family services to fulfill its duties and responsibilities under this chapter.

The department shall develop and maintain a registry of persons providing child care. The director shall adopt rules pursuant to Chapter 119. of the Revised Code establishing procedures and requirements for the registry's administration.

(E)(1) The director shall adopt rules in accordance with Chapter 119. of the Revised Code establishing both of the following:

(a) Reimbursement ceilings for providers of publicly funded child care not later than the first day of July in each odd-numbered year;

(b) A procedure for reimbursing and paying providers of publicly

funded child care.

(2) In establishing reimbursement ceilings under division (E)(1)(a) of this section, the director shall do all of the following:

(a) Use the information obtained under division (B)(3) of section 5104.04 of the Revised Code;

(b) Establish an enhanced reimbursement ceiling for providers who provide child care for caretaker parents who work nontraditional hours;

(c) For a type B family day-care home provider that has received limited certification pursuant to rules adopted under division (G)(1) of section 5104.011 of the Revised Code, establish a reimbursement ceiling that is the following:

(i) If the provider is a person described in division (G)(1)(a) of section 5104.011 of the Revised Code, seventy-five per cent of the reimbursement ceiling that applies to a type B family day-care home certified by the same county department of job and family services pursuant to section 5104.11 of the Revised Code;

(ii) If the provider is a person described in division (G)(1)(b) of section 5104.011 of the Revised Code, sixty per cent of the reimbursement ceiling that applies to a type B family day-care home certified by the same county department pursuant to section 5104.11 of the Revised Code.

(3) In establishing reimbursement ceilings under division (E)(1)(a) of this section, the director may establish different reimbursement ceilings based on any of the following:

(a) Geographic location of the provider;

(b) Type of care provided;

(c) Age of the child served;

(d) Special needs of the child served;

(e) Whether the expanded hours of service are provided;

(f) Whether weekend service is provided;

(g) Whether the provider has exceeded the minimum requirements of state statutes and rules governing child care;

(h) Any other factors the director considers appropriate.

(F) The director shall adopt rules in accordance with Chapter 119. of the Revised Code to implement the voluntary child day-care center quality-rating program described in division (C)(3)(d) of this section.

Sec. 5107.02. As used in this chapter:

(A) "Adult" means an individual who is not a minor child.

(B) "Assistance group" means a group of individuals treated as a unit for purposes of determining eligibility for and the amount of assistance provided under Ohio works first.

(C) "Custodian" means an individual who has legal custody, as defined in section 2151.011 of the Revised Code, of a minor child or comparable status over a minor child created by a court of competent jurisdiction in another state.

(D) "Domestic violence" means being subjected to any of the following:

(1) Physical acts that resulted in, or threatened to result in, physical injury to the individual;

(2) Sexual abuse;

(3) Sexual activity involving a dependent child;

(4) Being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

(5) Threats of, or attempts at, physical or sexual abuse;

(6) Mental abuse;

(7) Neglect or deprivation of medical care.

(E) "Guardian" means an individual that is granted authority by a probate court pursuant to Chapter 2111. of the Revised Code, or a court of competent jurisdiction in another state, to exercise parental rights over a minor child to the extent provided in the court's order and subject to residual parental rights of the minor child's parents.

~~(F)~~(F) "LEAP program" means the learning, earning, and parenting program conducted under section 5107.30 of the Revised Code.

(G) "Minor child" means either of the following:

(1) An individual who has not attained age eighteen;

(2) An individual who has not attained age nineteen and is a full-time student in a secondary school or in the equivalent level of vocational or technical training.

~~(H)~~(H) "Minor head of household" means a minor child who is either of the following:

(1) Is married, at least six months pregnant, and a member of an assistance group that does not include an adult;

(2) Is married and is a parent of a child included in the same assistance group that does not include an adult.

~~(G)~~(I) "Ohio works first" means the program established by this chapter known as temporary assistance for needy families in Title IV-A.

~~(H)~~(J) "Payment standard" means the amount specified in rules adopted under section 5107.05 of the Revised Code that is the maximum amount of cash assistance an assistance group may receive under Ohio works first from state and federal funds.

~~(K)~~(K) "Specified relative" means the following individuals who are age eighteen or older:

(1) The following individuals related by blood or adoption:

(a) Grandparents, including grandparents with the prefix "great," "great-great," or "great-great-great";

(b) Siblings;

(c) Aunts, uncles, nephews, and nieces, including such relatives with the prefix "great," "great-great," "grand," or "great-grand";

(d) First cousins and first cousins once removed.

(2) Stepparents and stepsiblings;

(3) Spouses and former spouses of individuals named in division ~~(H)(K)~~(1) or (2) of this section.

~~(J)(L)~~ "Title IV-A" or "Title IV-D" means Title IV-A or Title IV-D of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

Sec. 5107.03. There is hereby established the Ohio works first program. The department of job and family services shall administer the program, as long as federal funds are provided for the program, in accordance with Title IV-A, federal regulations, state law, the Title IV-A state plan submitted to the United States secretary of health and human services under section 5101.80 of the Revised Code, amendments to the plan, and federal waivers granted by the United States secretary.

~~The department shall make all cash assistance payments for Ohio works first from funds appropriated for the Ohio works first program. A county department of job and family services may use county funds to increase the amount of cash assistance an assistance group receives. An increase in the amount of cash assistance that results from such a use of county funds shall not be included as countable income, gross earned income, or gross unearned income of the assistance group.~~

Sec. 5107.04. As used in this section, "cost-of-living adjustment" means the cost-of-living adjustment made by the United States commissioner of social security under 42 U.S.C. 415(i) for benefits provided under Title II of the "Social Security Act of 1935."

The department of job and family services shall make all cash assistance payments for Ohio works first from funds appropriated for the Ohio works first program. The amount of a cash assistance payment the department is to make to an assistance group shall be determined in accordance with rules adopted under section 5107.05 of the Revised Code and shall not exceed the payment standard. The department shall increase the payment standard on January 1, 2009, and the first day of each January thereafter by the cost-of-living adjustment made in the immediately preceding December.

A county department of job and family services may use county funds to increase the amount of cash assistance an assistance group receives. An

increase in the amount of cash assistance that results from such a use of county funds shall not be included as countable income, gross earned income, or gross unearned income of the assistance group.

Sec. 5107.05. The director of job and family services shall adopt rules to implement this chapter. The rules shall be consistent with Title IV-A, Title IV-D, federal regulations, state law, the Title IV-A state plan submitted to the United States secretary of health and human services under section 5101.80 of the Revised Code, amendments to the plan, and waivers granted by the United States secretary. Rules governing eligibility, program participation, and other applicant and participant requirements shall be adopted in accordance with Chapter 119. of the Revised Code. Rules governing financial and other administrative requirements applicable to the department of job and family services and county departments of job and family services shall be adopted in accordance with section 111.15 of the Revised Code.

(A) The rules shall specify, establish, or govern all of the following:

(1) A payment standard for Ohio works first based on federal and state appropriations that is increased in accordance with section 5107.04 of the Revised Code;

(2) ~~The~~ For the purpose of section 5107.04 of the Revised Code, the method of determining the amount of cash assistance an assistance group receives under Ohio works first;

(3) Requirements for initial and continued eligibility for Ohio works first, including requirements regarding income, citizenship, age, residence, and assistance group composition. ~~The rules regarding income shall specify what is countable income, gross earned income, and gross unearned income for the purpose of section 5107.10 of the Revised Code.;~~

(4) For the purpose of section 5107.12 of the Revised Code, application and verification procedures, including the minimum information an application must contain. ~~If there are at least two telephone numbers available that a county department of human services can call to contact members of an assistance group, which may include the telephone number of an individual who can contact an assistance group member for the county department, the minimum information shall include at least those two telephone numbers.;~~

(5) The extent to which a participant of Ohio works first must notify, pursuant to section 5107.12 of the Revised Code, a county department of job and family services of additional income not previously reported to the county department;

(6) For the purpose of section 5107.16 of the Revised Code, standards

for the determination of good cause for failure or refusal to comply in full with a provision of a self-sufficiency contract:

(7) The department of job and family services providing written notice of a sanction under section 5107.161 of the Revised Code;

~~(7)~~(8) Requirements for the collection and distribution of support payments owed participants of Ohio works first pursuant to section 5107.20 of the Revised Code;

~~(8)~~(9) For the purpose of section 5107.22 of the Revised Code, what constitutes cooperating in establishing a minor child's paternity or establishing, modifying, or enforcing a child support order and good cause for failure or refusal to cooperate. ~~The rule shall be consistent with 42 U.S.C.A. 654(29).~~;

~~(9)~~(10) The requirements governing the LEAP program ~~provided for under section 5107.30 of the Revised Code~~, including the definitions of "equivalent of a high school diploma" and "good cause," and the incentives provided under the LEAP program;

~~(10)~~(11) If the director implements section 5107.301 of the Revised Code, the requirements governing the award provided under that section, including the form that the award is to take and requirements an individual must satisfy to receive the award;

~~(11)~~(12) Circumstances under which a county department of job and family services may exempt a minor head of household or adult from participating in a work activity or developmental activity for all or some of the weekly hours otherwise required by section 5107.43 of the Revised Code. ~~Circumstances shall include that a school or place of work is closed due to a holiday or weather or other emergency and that an employer grants the minor head of household or adult leave for illness or earned vacation.~~

~~(12)~~(13) The maximum amount of time the department will subsidize positions created by state agencies and political subdivisions under division (C) of section 5107.52 of the Revised Code;

(14) The implementation of sections 5107.71 to 5107.717 of the Revised Code by county departments of job and family services;

(15) A domestic violence screening process to be used for the purpose of division (A) of section 5107.71 of the Revised Code;

(16) The minimum frequency with which county departments of job and family services must redetermine a member of an assistance group's need for a waiver issued under section 5107.714 of the Revised Code.

(B) The rules adopted under division (A)(3) of this section regarding income shall specify what is countable income, gross earned income, and gross unearned income for the purpose of section 5107.10 of the Revised

Code.

The rules adopted under division (A)(9) of this section shall be consistent with 42 U.S.C. 654(29).

The rules adopted under division (A)(12) of this section shall specify that the circumstances include that a school or place of work is closed due to a holiday or weather or other emergency and that an employer grants the minor head of household or adult leave for illness or earned vacation.

(C) The rules may provide that a county department of job and family services is not required to take action under section 5107.76 of the Revised Code to recover an erroneous payment that is below an amount the department specifies.

Sec. 5107.10. (A) As used in this section:

(1) "Countable income," "gross earned income," and "gross unearned income" have the meanings established in rules adopted under section 5107.05 of the Revised Code.

(2) "Federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code, except that references to a person's family in the definition shall be deemed to be references to the person's assistance group.

(3) "Gross income" means gross earned income and gross unearned income.

(4) ~~"Initial eligibility threshold" means the higher of the following:~~

~~(a) Fifty per cent of the federal poverty guidelines;~~

~~(b) The gross income maximum for initial eligibility for Ohio works first as that maximum was set by division (D)(1)(a) of this section on the day before the effective date of this amendment.~~

~~(5) "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.~~

(B) Under the Ohio works first program, an assistance group shall receive, except as otherwise provided by this chapter, time-limited cash assistance. In the case of an assistance group that includes a minor head of household or adult, assistance shall be provided in accordance with the self-sufficiency contract entered into under section 5107.14 of the Revised Code.

(C) To be eligible to participate in Ohio works first, an assistance group must meet all of the following requirements:

(1) The assistance group, except as provided in division (E) of this section, must include at least one of the following:

(a) A minor child who, except as provided in section 5107.24 of the Revised Code, resides with a parent, or specified relative caring for the child, or, to the extent permitted by Title IV-A and federal regulations adopted until Title IV-A, resides with a guardian or custodian caring for the child;

(b) A parent residing with and caring for the parent's minor child who receives supplemental security income under Title XVI of the "Social Security Act," 86 Stat. 1475 (1972), 42 U.S.C.A. 1383, as amended, or federal, state, or local adoption assistance;

(c) A specified relative residing with and caring for a minor child who is related to the specified relative in a manner that makes the specified relative a specified relative and receives supplemental security income or federal, state, or local foster care or adoption assistance;

(d) A woman at least six months pregnant.

(2) The assistance group must meet the income requirements established by division (D) of this section.

(3) No member of the assistance group may be involved in a strike.

(4) The assistance group must satisfy the requirements for Ohio works first established by this chapter and sections 5101.58, 5101.59, and 5101.83 of the Revised Code.

(5) The assistance group must meet requirements for Ohio works first established by rules adopted under section 5107.05 of the Revised Code.

(D)(1) Except as provided in division (D)(4) of this section, to determine whether an assistance group is initially eligible to participate in Ohio works first, a county department of job and family services shall do the following:

(a) Determine whether the assistance group's gross income exceeds ~~the initial eligibility threshold~~ fifty per cent of the federal poverty guidelines. In making this determination, the county department shall disregard amounts that federal statutes or regulations and sections 5101.17 and 5117.10 of the Revised Code require be disregarded. The assistance group is ineligible to participate in Ohio works first if the assistance group's gross income, less the amounts disregarded, exceeds ~~the initial eligibility threshold~~ fifty per cent of the federal poverty guidelines.

(b) If the assistance group's gross income, less the amounts disregarded pursuant to division (D)(1)(a) of this section, does not exceed ~~the initial~~

~~eligibility threshold~~ fifty per cent of the federal poverty guidelines, determine whether the assistance group's countable income is less than the payment standard. The assistance group is ineligible to participate in Ohio works first if the assistance group's countable income equals or exceeds the payment standard.

(2) For the purpose of determining whether an assistance group meets the income requirement established by division (D)(1)(a) of this section, the annual revision that the United States department of health and human services makes to the federal poverty guidelines shall go into effect on the first day of July of the year for which the revision is made.

(3) To determine whether an assistance group participating in Ohio works first continues to be eligible to participate, a county department of job and family services shall determine whether the assistance group's countable income continues to be less than the payment standard. In making this determination, the county department shall disregard the first two hundred fifty dollars and fifty per cent of the remainder of the assistance group's gross earned income. No amounts shall be disregarded from the assistance group's gross unearned income. The assistance group ceases to be eligible to participate in Ohio works first if its countable income, less the amounts disregarded, equals or exceeds the payment standard.

(4) If an assistance group reapplies to participate in Ohio works first not more than four months after ceasing to participate, a county department of job and family services shall use the income requirement established by division (D)(3) of this section to determine eligibility for resumed participation rather than the income requirement established by division (D)(1) of this section.

(E)(1) An assistance group may continue to participate in Ohio works first even though a public children services agency removes the assistance group's minor children from the assistance group's home due to abuse, neglect, or dependency if the agency does both of the following:

(a) Notifies the county department of job and family services at the time the agency removes the children that it believes the children will be able to return to the assistance group within six months;

(b) Informs the county department at the end of each of the first five months after the agency removes the children that the parent, guardian, custodian, or specified relative of the children is cooperating with the case plans prepared for the children under section 2151.412 of the Revised Code and that the agency is making reasonable efforts to return the children to the assistance group.

(2) An assistance group may continue to participate in Ohio works first

pursuant to division (E)(1) of this section for not more than six payment months. This division does not affect the eligibility of an assistance group that includes a woman at least six months pregnant.

Sec. 5107.12. An assistance group seeking to participate in the Ohio works first program shall apply to a county department of job and family services using an application containing information the director of job and family services requires pursuant to rules adopted under section 5107.05 of the Revised Code and any additional information the county department requires. If cash assistance under the program is to be paid by the director of budget and management through the medium of direct deposit as provided by section 329.03 of the Revised Code, the application shall be accompanied by information the director needs to make direct deposits.

When a county department receives an application for participation in Ohio works first, it shall promptly make an investigation and record of the circumstances of the applicant in order to ascertain the facts surrounding the application and to obtain such other information as may be required. Upon the completion of the investigation, the county department shall determine as soon as possible whether the applicant is eligible to participate, the amount of cash assistance the applicant should receive, and the approximate date when participation shall begin. The county department shall not delay making the determination of whether the applicant is eligible to participate on the basis that the individuals required by section 5107.14 of the Revised Code to enter into a written self-sufficiency contract with the county department have not yet done that. The amount of cash assistance so determined shall be certified to the department of job and family services in such form as the department shall prescribe. Warrants, direct deposits, or debit cards shall be delivered or made payable in the manner the department may prescribe.

To the extent required by rules adopted under section 5107.05 of the Revised Code, a participant of Ohio works first shall notify the county department immediately upon the receipt or possession of additional income not previously reported to the county department. Any failure to so notify a county department shall be regarded as prima-facie evidence of an intent to defraud.

Sec. 5107.121. A county department of job and family services shall provide assistance groups applying for or undergoing a redetermination of eligibility for Ohio works first written and oral information about both of the following:

(A) The availability of counseling and supportive services pursuant to division (B) of section 5107.71 of the Revised Code for members of the

assistance group who have been subjected to domestic violence:

(B) The availability of waivers under section 5107.714 of the Revised Code exempting members of the assistance group who have been subjected to domestic violence from a requirement of the Ohio works first program.

Sec. 5107.14. (A) An assistance group is ineligible to participate in Ohio works first unless the minor head of household or each adult member of the assistance group, not later than thirty days after applying for or undergoing a redetermination of eligibility for the program, enters the following enter into a written self-sufficiency contract with the county department of job and family services not later than thirty days after the assistance group applies for or undergoes a redetermination of eligibility for the program:

(1) Each adult member of the assistance group;

(2) The assistance group's minor head of household unless the minor head of household is participating in the LEAP program. The

(B) A self-sufficiency contract shall set forth the rights and responsibilities of the assistance group as applicants for and participants of the program, including work responsibilities established under sections 5107.40 to 5107.69 of the Revised Code and other requirements designed to assist the assistance group in achieving self sufficiency and personal responsibility. The county department shall provide without charge a copy of the contract to each assistance group member who signs it.

Each Ohio works first. Each self-sufficiency contract shall include, based on appraisals conducted under section 5107.41 of the Revised Code and assessments conducted under section 5107.70 of the Revised Code, the following:

(A)(1) The assistance group's plan, developed under section 5107.41 of the Revised Code, to achieve the goal of self sufficiency and personal responsibility through unsubsidized employment within the time limit for participating in Ohio works first established by section 5107.18 of the Revised Code;

(B)(2) Work activities, developmental activities, and alternative work activities to which members of the assistance group are assigned under sections 5107.40 to 5107.69 of the Revised Code;

(C)(3) The responsibility of a caretaker member of the assistance group to cooperate in establishing a minor child's paternity and establishing, modifying, and enforcing a support order for the child in accordance with section 5107.22 of the Revised Code;

(D)(4) Other responsibilities that members of the assistance group must satisfy to participate in Ohio works first and the consequences for failure or

refusal to satisfy the responsibilities;

~~(E)~~(5) An agreement that, except as otherwise provided in a waiver issued under section 5107.714 of the Revised Code, the assistance group will comply with the conditions of participating in Ohio works first established by this chapter and sections 5101.58, 5101.59, and 5101.83 of the Revised Code;

~~(F)~~(6) Assistance and services the county department will provide to the assistance group;

~~(G)~~(7) Assistance and services the child support enforcement agency and public children services agency will provide to the assistance group pursuant to a plan of cooperation entered into under section 307.983 of the Revised Code;

~~(H)~~(8) Other provisions designed to assist the assistance group in achieving self sufficiency and personal responsibility;

~~(I)~~(9) Procedures for assessing whether responsibilities are being satisfied and whether the contract should be amended;

~~(J)~~(10) Procedures for amending the contract.

(C) No self-sufficiency contract shall include provisions regarding the LEAP program.

(D) The county department shall provide without charge a copy of the self-sufficiency contract to each assistance group member who signs it.

Sec. 5107.16. (A) If a member of an assistance group fails or refuses, without good cause, to comply in full with a provision of a self-sufficiency contract entered into under section 5107.14 of the Revised Code, a county department of job and family services shall sanction the assistance group as follows:

(1) For a first failure or refusal, the county department shall deny or terminate the assistance group's eligibility to participate in Ohio works first for one payment month ~~or until the failure or refusal ceases, whichever is longer~~;

(2) For a second failure or refusal, the county department shall deny or terminate the assistance group's eligibility to participate in Ohio works first for three payment months ~~or until the failure or refusal ceases, whichever is longer~~;

(3) For a third or subsequent failure or refusal, the county department shall deny or terminate the assistance group's eligibility to participate in Ohio works first for six payment months ~~or until the failure or refusal ceases, whichever is longer~~.

~~(B) Each county department~~ The director of job and family services shall establish standards for the determination of good cause for failure or

refusal to comply in full with a provision of a self-sufficiency contract in rules adopted under section 5107.05 of the Revised Code.

~~(1) In the case of a failure or refusal to participate in a work activity, developmental activity, or alternative work activity under sections 5107.40 to 5107.69 of the Revised Code, good cause shall include, except as provided in division (B)(2) of this section, the following:~~

~~(a) Failure of the county department to place the member in an activity;~~

~~(b) Failure of the county department to provide for the assistance group to receive support services the county department determines under section 5107.66 of the Revised Code to be necessary. In determining whether good cause exists, a county department shall determine that day care is a necessary support service if a single custodial parent caring for a minor child under age six proves a demonstrated inability, as determined by the county department, to obtain needed child care for one or more of the following reasons:~~

~~(i) Unavailability of appropriate child care within a reasonable distance from the parent's home or work site;~~

~~(ii) Unavailability or unsuitability of informal child care by a relative or under other arrangements;~~

~~(iii) Unavailability of appropriate and affordable formal child care arrangements.~~

~~(2) Good cause does not exist if the member of the assistance group is placed in a work activity established under section 5107.58 of the Revised Code and exhausts the support services available for that activity.~~

~~(C) When a state hearing under division (B) of section 5101.35 of the Revised Code or an administrative appeal under division (C) of that section is held regarding a sanction under this section, the hearing officer, director of job and family services, or director's designee shall base the decision in the hearing or appeal on the county department's standards of good cause for failure or refusal to comply in full with a provision of a self-sufficiency contract, if the county department provides the hearing officer, director, or director's designee a copy of the county department's good cause standards.~~

~~(D) After sanctioning an assistance group under division (A) of this section, a county department of job and family services shall continue to work with the assistance group to provide the member of the assistance group who caused the sanction an opportunity to demonstrate to the county department a willingness to cease the failure or refusal to comply with the self-sufficiency contract.~~

~~(E)~~(D) An adult eligible for medical assistance medicaid pursuant to division (A)(1)(a) of section 5111.01 of the Revised Code who is sanctioned

under division (A)(3) of this section for a failure or refusal, without good cause, to comply in full with a provision of a self-sufficiency contract related to work responsibilities under sections 5107.40 to 5107.69 of the Revised Code loses eligibility for ~~medical assistance~~ medicaid unless the adult is otherwise eligible for ~~medical assistance~~ medicaid pursuant to another division of section 5111.01 of the Revised Code.

~~(F)~~ An assistance group that would be participating in Ohio works first if not for a sanction under this section shall continue to be eligible for all of the following:

(1) Publicly funded child care in accordance with division (A)(3) of section 5104.30 of the Revised Code;

(2) Support services in accordance with section 5107.66 of the Revised Code;

(3) To the extent permitted by the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 201, as amended, to participate in work activities, developmental activities, and alternative work activities in accordance with sections 5107.40 to 5107.69 of the Revised Code.

Sec. 5107.17. An assistance group that resumes participation in Ohio works first following a sanction under section 5107.16 of the Revised Code is not required to do either of the following:

(A) Reapply under section 5107.12 of the Revised Code, unless it is the assistance group's regularly scheduled time for an eligibility redetermination;

(B) Enter into a new self-sufficiency contract under section 5107.14 of the Revised Code, unless the county department of job and family services determines it is time for a new appraisal under section 5107.41 of the Revised Code or the assistance group's circumstances have changed in a manner necessitating an amendment to the self-sufficiency contract as determined using procedures included in the contract under division ~~(F)~~(B)(9) of section 5107.14 of the Revised Code.

Sec. 5107.18. (A) Except as provided in divisions (B), (C), (D), ~~and~~ (E), and (F) of this section, an assistance group is ineligible to participate in Ohio works first if the assistance group includes an individual who has participated in the program for thirty-six months as any of the following: an adult head of household, minor head of household, or spouse of an adult head of household or minor head of household. The time limit applies regardless of whether the thirty-six months are consecutive.

(B) An assistance group that has ceased to participate in Ohio works first pursuant to division (A) of this section for at least twenty-four months, whether consecutive or not, may reapply to participate in the program if

good cause exists as determined by the county department of job and family services. Good cause may include losing employment, inability to find employment, divorce, domestic violence considerations, and unique personal circumstances. The assistance group must provide a county department of job and family services verification acceptable to the county department of whether any members of the assistance group had employment during the period the assistance group was not participating in Ohio works first and the amount and sources of the assistance group's income during that period. If a county department is satisfied that good cause exists for the assistance group to reapply to participate in Ohio works first, the assistance group may reapply. Except as provided in divisions (C), (D), and ~~(E)~~(F) of this section, the assistance group may not participate in Ohio works first for more than twenty-four additional months. The time limit applies regardless of whether the twenty-four months are consecutive.

(C) In determining the number of months a parent or pregnant woman has received assistance under Title IV-A, a county department of job and family services shall disregard any month during which the parent or pregnant woman was a minor child but was neither a minor head of household nor married to the head of an assistance group.

(D) In determining the number of months an adult has received assistance under Title IV-A, a county department of job and family services shall disregard any month during which the adult lived on an Indian reservation or in an Alaska native village, as those terms are used in 42 U.S.C.A. 608(a)(7)(D), if, during the month, at least one thousand individuals lived on the reservation or in the village and at least fifty per cent of the adults living on the reservation or in the village were unemployed.

(E) A county department of job and family services may exempt an Ohio works first assistance group from the time limit established by division (A) of this section by issuing a waiver of the time limit in accordance with section 5107.714 of the Revised Code. A county department may not exempt an assistance group until the group has exhausted its thirty-six months of cash assistance. An exemption granted under this division shall not count toward the twenty per cent limitation that applies to the exemptions granted under division (F) of this section.

~~(F)~~ A county department of job and family services may exempt not more than twenty per cent of the average monthly number of Ohio works first assistance groups from the time limit established by this section on the grounds that the county department determines that the time limit is a hardship. In the case of the time limit established by division (A) of this

section, a county department may not exempt an assistance group until the group has exhausted its thirty-six months of cash assistance.

~~(F)~~(G) The department of job and family services shall continually monitor the percentage of the average monthly number of Ohio works first assistance groups in each county that is exempted under division ~~(E)~~(F) of this section from the time limit established by this section. On determining that the percentage in any county equals or exceeds eighteen per cent, the department shall immediately notify the county department of job and family services.

~~(G)~~(H) Only participation in Ohio works first on or after October 1, 1997, applies to the time limit established by this section. The time limit applies regardless of the source of funding for the program. Assistance under Title IV-A provided by any state applies to the time limit. The time limit is a lifetime limit. No assistance group shall receive assistance under the program in violation of the time limit for assistance under Title IV-A established by section 408(a)(7) of the "Social Security Act," as amended by the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," 110 Stat. 2105, 42 U.S.C.A. 608 (a)(7).

Sec. 5107.281. A participant of Ohio works first who is enrolled in a school district in a county that is participating in the learnfare program and is not younger than age six but not older than age nineteen shall participate in the learnfare program unless one of the following is the case:

(A) The participant is not yet eligible for enrollment in first grade;

(B) The participant is subject to the LEAP program ~~under section 5107.30 of the Revised Code~~;

(C) The participant has received one of the following:

(1) A high school diploma;

(2) A certificate stating that the participant has achieved the equivalent of a high school education as measured by scores obtained on the tests of general educational development as published by the American council on education.

(D) The participant has been excused from school attendance pursuant to section 3321.04 of the Revised Code;

(E) If child care services for a member of the participant's household are necessary for the participant to attend school, child care licensed or certified under Chapter 5104. of the Revised Code or under sections 3301.52 to 3301.59 of the Revised Code and transportation to and from the child care are not available;

(F) The participant has been adjudicated a delinquent or unruly child pursuant to section 2151.28 of the Revised Code.

Sec. 5107.30. (A) As used in this section:

(1) "Equivalent of a high school diploma" and "good cause" have the meanings established in rules adopted under section 5107.05 of the Revised Code.

~~(2) "LEAP program" means the learning, earning, and parenting program.~~

~~(3)~~ "Participating teen" means an individual to whom all of the following apply:

(a) The individual is a participant of Ohio works first;

(b) The individual is under age eighteen or is age eighteen and in school and is a natural or adoptive parent or is pregnant;

(c) The individual is subject to the LEAP program's requirements.

~~(4)~~(3) "School" means an educational program that is designed to lead to the attainment of a high school diploma or the equivalent of a high school diploma.

(B) The director of job and family services may conduct a program titled the "LEAP program" in accordance with rules adopted under section 5107.05 of the Revised Code. The purpose of the LEAP program is to encourage teens to complete school.

Every participating teen shall attend school in accordance with the requirements governing the LEAP program unless the participating teen shows good cause for not attending school. The department shall provide, in addition to the cash assistance payment provided under Ohio works first, an incentive payment, in an amount determined by the department, to every participating teen who attends school in accordance with the requirements governing the LEAP program. In addition to the incentive payment, the department may provide other incentives to participating teens who attend school in accordance with the LEAP program's requirements. The department shall reduce the cash assistance payment, in an amount determined by the department, under Ohio works first to every participating teen who fails or refuses, without good cause, to meet the LEAP program's requirements.

Every participating teen shall enter into a written agreement with the county department of job and family services that specifies all of the following:

(1) The participating teen, to be eligible to receive the incentive payment and other incentives, if any, under this section, must meet the requirements of the LEAP program.

(2) The incentive payment and other incentives, if any, will be provided if the participating teen meets the requirements of the LEAP program.

(3) The participating teen's cash assistance payment under Ohio works first will be reduced if the participating teen fails or refuses without good cause to attend school in accordance with the requirements governing the LEAP program.

(C) A minor head of ~~household who is participating~~ household's participation in the LEAP program shall be ~~considered to be participating in a work activity for the purpose of sections 5107.40 to 5107.69~~ counted in determining whether a county department of job and family services meets the requirement of section 5107.44 of the Revised Code. ~~However, the minor head of household is not subject to the requirements or sanctions of those sections.~~

(D) Subject to the availability of funds, county departments of job and family services shall provide for participating teens to receive support services the county department determines to be necessary for LEAP participation. Support services may include publicly funded child care under Chapter 5104. of the Revised Code, transportation, and other services.

Sec. 5107.36. An individual is ~~not eligible to participate in~~ ineligible for assistance under Ohio works first if either of the following apply:

(A) The individual is a fugitive felon as defined in section 5101.20 of the Revised Code;

(B) The individual is violating a condition of probation, a community control sanction, parole, or a post-release control sanction imposed under federal or state law.

Sec. 5107.41. As soon as possible after an assistance group submits an application to participate in Ohio works first, the county department of job and family services that receives the application shall schedule and conduct an appraisal of each member of the assistance group who is a minor head of household or adult, other than a minor head of household participating in the LEAP program. The appraisal may include an evaluation of the employment, educational, physiological, and psychological abilities or liabilities, or both, of the minor head of household or adult. At the appraisal, the county department shall develop with the minor head of household or adult a plan for the assistance group to achieve the goal of self sufficiency and personal responsibility through unsubsidized employment within the time limit for participating in the Ohio works first program established by section 5107.18 of the Revised Code. The plan shall include assignments to one or more work activities, developmental activities, or alternative work activities in accordance with section 5107.42 of the Revised Code. The county department shall include the plan in the self-sufficiency contract entered into under section 5107.14 of the Revised Code.

The county department shall conduct more appraisals of the minor head of household or adult at times the county department determines.

If the minor head of household or adult claims to have a medically determinable physiological or psychological impairment, illness, or disability, the county department may require that the minor head of household or adult undergo an independent medical or psychological examination at a time and place reasonably convenient to the minor head of household or adult.

Sec. 5107.42. (A) Except as provided in divisions (B) and (C) of this section, county departments of job and family services shall assign each minor head of household and adult participating in Ohio works first, other than a minor head of household participating in the LEAP program, to one or more work activities and developmental activities.

If a county department assigns a minor head of household or adult to the work activity established under division (H) of section 5107.60 of the Revised Code, the county department shall make reasonable efforts to assign the minor head of household or adult to at least one other work activity at the same time. If a county department assigns a minor head of household or adult to the work activity established under section 5107.58 of the Revised Code, the county department shall assign the minor head of household or adult to at least one other work activity at the same time.

A county department may not assign a minor head of household or adult to a work activity established under division (D) of section 5107.60 of the Revised Code for more than twelve months.

(B) If a county department determines that a minor head of household or adult has a temporary or permanent barrier to participation in a work activity, it may assign the minor head of household or adult to one or more alternative work activities instead of assigning the minor head of household or adult to one or more work activities or developmental activities. A county department may not assign more than twenty per cent of minor heads of household and adults participating in Ohio works first to an alternative work activity.

County departments shall establish standards for determining whether a minor head of household or adult has a temporary or permanent barrier to participating in a work activity. The following are examples of circumstances that a county department may consider when it develops its standards:

(1) A minor head of household or adult provides the county department documented evidence that one or more members of the assistance group have been the victim of domestic violence and are in imminent danger of

suffering continued domestic violence;

(2) A minor head of household or adult is actively participating in an alcohol or drug addiction program certified by the department of alcohol and drug addiction services under section 3793.06 of the Revised Code;

(3) An assistance group is homeless.

(C) A county department may exempt a minor head of household or adult who is unmarried and caring for a minor child under twelve months of age from the work requirements of sections 5107.40 to 5107.69 of the Revised Code for not more than twelve months. While exempt, the minor head of household or adult shall be disregarded in determining whether the county department is meeting the requirement of section 5107.44 of the Revised Code. The county department shall assign the exempt minor head of household or adult to at least one developmental activity for a number of hours a week the county department determines. The county department may assign the exempt minor head of household or adult to one or more work activities, in addition to developmental activities, for a number of hours the county department determines. Division (B) of section 5107.43 of the Revised Code does not apply to the exempt minor head of household or adult.

(D) A county department may reassign a minor head of household or adult when the county department determines reassignment will aid the assistance group in achieving self sufficiency and personal responsibility and shall make reassignments when circumstances requiring reassignment occur, including when a temporary barrier to participating in a work activity is eliminated.

A county department shall include assignments in the self-sufficiency contract entered into under section 5107.14 of the Revised Code and shall amend the contract when a reassignment is made to include the reassignment in the contract.

Sec. 5107.70. A county department of job and family services, at times it determines, may conduct assessments of assistance groups participating in Ohio works first to determine whether any members of the group are in need of other assistance or services provided by the county department or other private or government entities. Assessments may include the following:

(A) Whether any member of the assistance group has a substance abuse problem;

(B) Whether there are any other circumstances that may limit an assistance group member's employability.

~~At the first assessment conducted by the county department, it shall inquire as to whether any member of an assistance group is the victim of~~

~~domestic violence, including child abuse. The county department shall provide this information to the department of job and family services. The department shall maintain the information for statistical analysis purposes.~~

The county department may refer an assistance group member to a private or government entity that provides assistance or services the county department determines the member needs. The entity may be a public children services agency, chapter of alcoholics anonymous, narcotics anonymous, or cocaine anonymous, or any other entity the county department considers appropriate.

Sec. 5107.71. Each county department of job and family services shall do all of the following in accordance with rules adopted under section 5107.05 of the Revised Code:

(A) Identify members of assistance groups applying for and participating in Ohio works first who have been subjected to domestic violence by utilizing the domestic violence screening process established in the rules;

(B) Refer a member who has been subjected to domestic violence to counseling and supportive services;

(C) Except as provided in section 5107.713 of the Revised Code, maintain the confidentiality of information about a member who has been subjected to domestic violence;

(D) Make a determination of whether a member who has been subjected to domestic violence should be issued a waiver under section 5107.714 of the Revised Code.

Sec. 5107.711. When utilizing the domestic violence screening process established in rules adopted under section 5107.05 of the Revised Code to identify members of assistance groups applying for and participating in Ohio works first who have been subjected to domestic violence, a county department of job and family services shall do both of the following:

(A) Where available, rely on records from any of the following:

(1) Police, courts, and other governmental entities;

(2) Shelters and legal, religious, medical, and other professionals from whom an assistance group member sought assistance in dealing with domestic violence;

(3) Other persons with knowledge of the domestic violence.

(B) Rely on an assistance group member's allegation of domestic violence unless the county department has an independent, reasonable basis to find the allegation not credible.

Sec. 5107.712. A member of an assistance group applying for or participating in Ohio works first who is referred to counseling or supportive

services pursuant to division (B) of section 5107.71 of the Revised Code may decline the counseling, supportive services, or both.

Sec. 5107.713. When a county department of job and family services identifies a member of an assistance group applying for or participating in Ohio works first who has been subjected to domestic violence, the county department shall provide information about the member to the department of job and family services. The department shall maintain the information for federal reporting and statistical analysis purposes only.

Sec. 5107.714. A county department of job and family services shall issue a member of an assistance group participating in Ohio works first a waiver that exempts the member from a requirement of the Ohio works first program if the county department determines that the member has been subjected to domestic violence and requiring compliance with the requirement would make it more difficult for the member to escape domestic violence or unfairly penalize the member. A waiver shall specify the particular requirement being waived. A waiver may not exempt the member from the time limit on participating in the Ohio works first program established by division (B) of section 5107.18 of the Revised Code. A waiver shall be effective for a period of time the county department determines necessary. The county department shall redetermine the member's need for the waiver not less often than a period of time specified in rules adopted under section 5107.05 of the Revised Code.

Sec. 5107.715. A county department of job and family services that refuses to issue a waiver under section 5107.714 of the Revised Code for a member of an assistance group participating in Ohio works first shall provide the member a written explanation for the refusal. The written explanation shall be provided to the member in a manner protecting the member's confidentiality. The member may appeal the refusal pursuant to section 5101.35 of the Revised Code.

Sec. 5107.716. A member of an assistance group participating in Ohio works first may decline a waiver that would otherwise be issued under section 5107.714 of the Revised Code and may terminate at any time a waiver that has been issued under that section.

Sec. 5107.717. The department of job and family services shall monitor county departments of job and family services' implementation of sections 5107.71 to 5107.716 of the Revised Code to ensure that the county departments comply with those sections.

Sec. 5111.01. As used in this chapter, "medical assistance program" or "medicaid" means the program that is authorized by this chapter and provided by the department of job and family services under this chapter,

Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 1396, as amended, and the waivers of Title XIX requirements granted to the department by the ~~health care financing administration~~ centers for medicare and medicaid services of the United States department of health and human services.

The department of job and family services shall act as the single state agency to supervise the administration of the medicaid program. As the single state agency, the department shall comply with 42 C.F.R. 431.10(e). The department's rules governing medicaid are binding on other agencies that administer components of the medicaid program. No agency may establish, by rule or otherwise, a policy governing medicaid that is inconsistent with a medicaid policy established, in rule or otherwise, by the director of job and family services.

(A) The department of job and family services may provide medical assistance under the medicaid program as long as federal funds are provided for such assistance, to the following:

(1) Families with children that meet either of the following conditions:

(a) The family meets the income, resource, and family composition requirements in effect on July 16, 1996, for the former aid to dependent children program as those requirements were established by Chapter 5107. of the Revised Code, federal waivers granted pursuant to requests made under former section 5101.09 of the Revised Code, and rules adopted by the department or any changes the department makes to those requirements in accordance with paragraph (a)(2) of section 114 of the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," 110 Stat. 2177, 42 U.S.C.A. 1396u-1, for the purpose of implementing section 5111.019 of the Revised Code. An adult loses eligibility for ~~medical assistance~~ medicaid under division (A)(1)(a) of this section pursuant to division ~~(E)~~(D) of section 5107.16 of the Revised Code.

(b) The family does not meet the requirements specified in division (A)(1)(a) of this section but is eligible for ~~medical assistance~~ medicaid pursuant to section 5101.18 of the Revised Code.

(2) Aged, blind, and disabled persons who meet the following conditions:

(a) Receive federal aid under Title XVI of the "Social Security Act," or are eligible for but are not receiving such aid, provided that the income from all other sources for individuals with independent living arrangements shall not exceed one hundred seventy-five dollars per month. The income standards hereby established shall be adjusted annually at the rate that is used by the United States department of health and human services to adjust

the amounts payable under Title XVI.

(b) Do not receive aid under Title XVI, but meet any of the following criteria:

(i) Would be eligible to receive such aid, except that their income, other than that excluded from consideration as income under Title XVI, exceeds the maximum under division (A)(2)(a) of this section, and incurred expenses for medical care, as determined under federal regulations applicable to section 209(b) of the "Social Security Amendments of 1972," 86 Stat. 1381, 42 U.S.C.A. 1396a(f), as amended, equal or exceed the amount by which their income exceeds the maximum under division (A)(2)(a) of this section;

(ii) Received aid for the aged, aid to the blind, or aid for the permanently and totally disabled prior to January 1, 1974, and continue to meet all the same eligibility requirements;

(iii) Are eligible for ~~medical assistance~~ medicaid pursuant to section 5101.18 of the Revised Code.

(3) Persons to whom federal law requires, as a condition of state participation in the medicaid program, that ~~medical assistance~~ medicaid be provided;

(4) Persons under age twenty-one who meet the income requirements for the Ohio works first program established under Chapter 5107. of the Revised Code but do not meet other eligibility requirements for the program. The director shall adopt rules in accordance with Chapter 119. of the Revised Code specifying which Ohio works first requirements shall be waived for the purpose of providing medicaid eligibility under division (A)(4) of this section.

(B) If sufficient funds are appropriated for ~~such purpose by the general assembly~~ the medicaid program, the department may provide medical assistance under the medicaid program to persons in groups designated by federal law as groups to which a state, at its option, may provide medical assistance under the medicaid program.

(C) The department may expand eligibility for ~~medical assistance~~ the medicaid program to include individuals under age nineteen with family incomes at or below one hundred fifty per cent of the federal poverty guidelines, except that the eligibility expansion shall not occur unless the department receives the approval of the federal government. The department may implement the eligibility expansion authorized under this division on any date selected by the department, but not sooner than January 1, 1998.

(D) In addition to any other authority or requirement to adopt rules under this chapter, the director may adopt rules in accordance with section 111.15 of the Revised Code as the director considers necessary to establish

standards, procedures, and other requirements regarding the provision of medical assistance under the medicaid program. The rules may establish requirements to be followed in applying for ~~medical assistance~~ medicaid, making determinations of eligibility for ~~medical assistance~~ medicaid, and verifying eligibility for ~~medical assistance~~ medicaid. The rules may include special conditions as the department determines appropriate for making applications, determining eligibility, and verifying eligibility for any medical assistance that the department may provide under the medicaid program pursuant to division (C) of this section and section 5111.014 or 5111.019 of the Revised Code.

Sec. 5111.013. (A) The provision of medical assistance to pregnant women and young children who are eligible for medical assistance under division (A)(3) of section 5111.01 of the Revised Code, but who are not otherwise eligible for medical assistance under that section, shall be known as the healthy start program.

(B) The department of job and family services shall do all of the following with regard to the application procedures for the healthy start program:

(1) Establish a short application form for the program that requires the applicant to provide no more information than is necessary for making determinations of eligibility for the healthy start program, except that the form may require applicants to provide their social security numbers. The form shall include a statement, which must be signed by the applicant, indicating that she does not choose at the time of making application for the program to apply for assistance provided under any other program administered by the department and that she understands that she is permitted at any other time to apply at the county department of job and family services of the county in which she resides for any other assistance administered by the department.

(2) To the extent permitted by federal law, do one or both of the following:

(a) Distribute, consistent with section 5111.0120 of the Revised Code, the application form for the program to each public or private entity that serves as a women, infants, and children clinic or as a child and family health clinic and to each administrative body for such clinics and train employees of each such agency or entity to provide applicants assistance in completing the form;

(b) In cooperation with the department of health, develop arrangements under which employees of county departments of job and family services are stationed at public or private agencies or entities selected by the

department of job and family services that serve as women, infants, and children clinics; child and family health clinics; or administrative bodies for such clinics for the purpose both of assisting applicants for the program in completing the application form and of making determinations at that location of eligibility for the program.

(3) Establish performance standards by which a county department of job and family services' level of enrollment of persons potentially eligible for the program can be measured, and establish acceptable levels of enrollment for each county department.

(4) Direct any county department of job and family services whose rate of enrollment of potentially eligible enrollees in the program is below acceptable levels established under division (B)(3) of this section to implement corrective action. Corrective action may include but is not limited to any one or more of the following to the extent permitted by federal law:

(a) Establishing formal referral and outreach methods with local health departments and local entities receiving funding through the bureau of maternal and child health;

(b) Designating a specialized intake unit within the county department for healthy start applicants;

(c) Establishing abbreviated timeliness requirements to shorten the time between receipt of an application and the scheduling of an initial application interview;

(d) Establishing a system for telephone scheduling of intake interviews for applicants;

(e) Establishing procedures to minimize the time an applicant must spend in completing the application and eligibility determination process, including permitting applicants to complete the process at times other than the regular business hours of the county department and at locations other than the offices of the county department.

(C) To the extent permitted by federal law, local funds, whether from public or private sources, expended by a county department for administration of the healthy start program shall be considered to have been expended by the state for the purpose of determining the extent to which the state has complied with any federal requirement that the state provide funds to match federal funds for medical assistance, except that this division shall not affect the amount of funds the county is entitled to receive under section 5101.16, 5101.161, or 5111.012 of the Revised Code.

(D) The director of job and family services shall do one or both of the following:

(1) To the extent that federal funds are provided for such assistance, adopt a plan for granting presumptive eligibility for pregnant women applying for healthy start;

(2) To the extent permitted by federal medicaid regulations, adopt a plan for making same-day determinations of eligibility for pregnant women applying for healthy start.

(E) A county department of job and family services that maintains offices at more than one location shall accept applications for the healthy start program at all of those locations.

(F) The director of job and family services shall adopt rules in accordance with section 111.15 of the Revised Code as necessary to implement this section.

Sec. 5111.014. (A) The director of job and family services shall submit to the United States secretary of health and human services an amendment to the state medicaid plan to make an individual who meets all of the following requirements eligible for medicaid:

(1) The individual is pregnant;

(2) The individual's family income does not exceed ~~one~~ two hundred ~~fifty~~ per cent of the federal poverty guidelines;

(3) The individual satisfies all relevant requirements established by rules adopted under division (D) of section 5111.01 of the Revised Code.

(B) If approved by the United States secretary of health and human services, the director of job and family services shall implement the medicaid plan amendment submitted under division (A) of this section as soon as possible after receipt of notice of the approval, but not sooner than January 1, ~~2000~~ 2008.

Sec. 5111.016. (A) As used in this section, "healthcheck" has the same meaning as in section 3313.714 of the Revised Code.

(B) ~~In accordance with federal law and regulations, the~~ The department of job and family services shall ~~establish~~ adopt rules in accordance with Chapter 119. of the Revised Code establishing a combination of written and oral methods designed to provide information about healthcheck to all persons eligible for the program or their parents or guardians. The department shall ensure that its methods of providing information are effective. The methods shall comply with federal law and regulations.

Each county department of job and family services or other entity that distributes or accepts applications for medical assistance shall prominently display ~~in a conspicuous place the following~~ notice:

~~"Under state and federal law, if you are a Medicaid recipient, your child is entitled to a thorough medical examination provided through~~

~~Healthcheck. Once this examination is completed, your child is entitled to receive, at no cost to you, any service determined to be medically necessary."~~ that complies with the rules adopted under this division.

Sec. 5111.017. (A) To the extent permitted by federal law, and beginning July 1, 2009, county departments of job and family services that accept documents related to applications for the medicaid program shall convert such documents to an electronic format and store them electronically.

(B) The director of job and family services shall adopt rules in accordance with Chapter 119. of the Revised Code, as necessary, to implement this section. At a minimum, the director shall adopt rules to address both of the following:

(1) The manner in which the copies of the documents that are not electronic copies must be disposed of. The manner specified must not compromise the confidentiality of the information contained in the documents.

(2) The measures county departments must take to maintain the confidentiality of the information contained in the documents that are stored electronically.

(C) Not later than the thirtieth day of June each year, each county department shall calculate the total expenses the county incurred in the state fiscal year ending in the previous calendar year to comply with the requirements in this section.

Sec. 5111.019. ~~(A)~~ The director of job and family services shall submit to the United States secretary of health and human services an amendment to the state medicaid plan to make an individual eligible for medicaid who meets all of the following requirements ~~eligible for medicaid for the amount of time provided by division (B) of this section:~~

~~(1)~~(A) The individual is the parent of a child under nineteen years of age and resides with the child;

~~(2)~~(B) The individual's family income does not exceed ninety per cent of the federal poverty guidelines;

~~(3)~~(C) The individual is not otherwise eligible for medicaid;

~~(4)~~(D) The individual satisfies all relevant requirements established by rules adopted under division (D) of section 5111.01 of the Revised Code.

~~(B) An individual is eligible to receive medicaid under this section for a period that does not exceed two years beginning on the date on which eligibility is established.~~

Sec. 5111.0111. (A) The director of job and family services ~~may~~ shall submit to the United States secretary of health and human services an

amendment to the state medicaid plan to implement 42 U.S.C. 1396a (a)(10)(A)(ii)(XVII) to make an individual receiving who meets all of the following requirements eligible for medicaid:

(1) The individual is under twenty-one years of age;

(2) The individual was in foster care under the responsibility of the state on the individual's eighteenth birthday;

(3) Foster care maintenance payments or independent living services pursuant to sections 2151.81 to 2151.84 of the Revised Code eligible for medicaid were furnished under a program funded under Title IV-E of the Social Security Act of 1935 on the individual's behalf before the individual attained eighteen years of age;

(4) The individual meets all other applicable eligibility requirements established in rules adopted under section 5111.011 of the Revised Code. If

(B) If approved by the United States secretary of health and human services, the director of job and family services shall implement the medicaid plan amendment submitted under this section beginning January 1, 2008.

Sec. 5111.0112. (A) ~~Not later than July 1, 2006, the~~ The director of job and family services shall institute a ~~copayment cost-sharing~~ program under the medicaid program. ~~To the extent permitted by federal law, the copayment~~ In instituting the cost-sharing program, the director shall comply with federal law. In the case of an individual participating in the children's buy-in program established under sections 5101.5211 to 5101.5216 of the Revised Code, the cost-sharing program shall be consistent with sections 5101.5213 and 5101.5214 of the Revised Code if the children's buy-in program is a component of the medicaid program. The cost-sharing program shall establish a copayment requirement for only at least dental services, vision services, nonemergency emergency department services, and prescription drugs, other than generic drugs. The cost-sharing program shall establish requirements regarding premiums, enrollment fees, deductions, and similar charges. The director shall adopt rules under section 5111.02 of the Revised Code governing the ~~copayment cost-sharing~~ program.

(B) The ~~copayment cost-sharing~~ 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) 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~~ cost-sharing 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~~ cost-sharing 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.

(D) The department of job and family services may work with a state agency that is administering, pursuant to a contract entered into under section 5111.91 of the Revised Code, one or more components of the medicaid program or one or more aspects of a component as necessary for the state agency to apply the cost-sharing program to the components or aspects of the medicaid program that the state agency administers.

Sec. 5111.0120. To the extent permitted by federal law, and beginning July 1, 2009, applications for the medicaid program shall be submitted through the internet or by other electronic means.

The director of job and family services shall adopt rules under Chapter 119. of the Revised Code, as necessary, to implement this section. At a minimum, the director must adopt rules that specify measures county departments of job and family services must take to ensure that the applications can be transmitted and received in a manner that maintains the confidentiality of information contained in them.

Sec. 5111.023. (A) As used in this section:

(1) "Community mental health facility" means a community mental health facility that has a quality assurance program accredited by the joint commission on accreditation of healthcare organizations or is certified by the department of mental health or department of job and family services.

(2) "Mental health professional" means a person qualified to work with mentally ill persons under the standards established by the director of mental health pursuant to section 5119.611 of the Revised Code.

(B) The state medicaid plan shall include provision of the following mental health services when provided by community mental health facilities:

(1) Outpatient mental health services, including, but not limited to, preventive, diagnostic, therapeutic, rehabilitative, and palliative interventions rendered to individuals in an individual or group setting by a mental health professional in accordance with a plan of treatment appropriately established, monitored, and reviewed;

(2) Partial-hospitalization mental health services ~~of three to fourteen hours per service day~~, rendered by persons directly supervised by a mental health professional;

(3) Unscheduled, emergency mental health services of a kind ordinarily provided to persons in crisis when rendered by persons supervised by a mental health professional;

(4) Subject to receipt of federal approval, assertive community treatment and intensive home-based mental health services.

(C) The comprehensive annual plan shall certify the availability of sufficient unencumbered community mental health state subsidy and local funds to match federal medicaid reimbursement funds earned by community mental health facilities.

(D) The department of job and family services shall enter into a separate contract with the department of mental health under section 5111.91 of the Revised Code with regard to the component of the medicaid program provided for by this section.

(E) Not later than July 21, 2006, the department of job and family services shall request federal approval to provide assertive community treatment and intensive home-based mental health services under medicaid pursuant to this section.

(F) On receipt of federal approval sought under division (E) of this section, the director of job and family services shall adopt rules in accordance with Chapter 119. of the Revised Code for assertive community treatment and intensive home-based mental health services provided under medicaid pursuant to this section. The director shall consult with the

department of mental health in adopting the rules.

Sec. 5111.028. (A) Pursuant to section 5111.02 of the Revised Code, the director of job and family services shall adopt rules establishing procedures for the use of time-limited provider agreements under the medicaid program. Except as provided in division (E) of this section, all provider agreements shall be time-limited in accordance with the procedures established in the rules.

The department of job and family services shall phase-in the use of time-limited provider agreements pursuant to this section during a period commencing not later than January 1, 2008, and ending January 1, 2011.

(B) In the use of time-limited provider agreements pursuant to this section, all of the following apply:

(1) Each provider agreement shall expire not later than three years from the effective date of the agreement.

(2) During the phase-in period specified in division (A) of this section, the department may provide for the conversion of a provider agreement without a time limit to a provider agreement with a time limit. The department may take an action to convert the provider agreement by sending a notice by regular mail to the address of the provider on record with the department advising the provider of the conversion.

(3) The department may make the effective date of a provider agreement retroactive for a period not to exceed one year from the date of the provider's application for the agreement, as long as the provider met all medicaid program requirements during that period.

(C) The rules for use of time-limited provider agreements pursuant to this section shall include a process for re-enrollment of providers. All of the following apply to the re-enrollment process:

(1) The department of job and family services may terminate a time-limited provider agreement or deny re-enrollment when a provider fails to file an application for re-enrollment within the time and in the manner required under the re-enrollment process.

(2) If a provider files an application for re-enrollment within the time and in the manner required under the re-enrollment process, but the provider agreement expires before the department acts on the application or before the effective date of the department's decision on the application, the provider may continue operating under the terms of the expired provider agreement until the effective date of the department's decision.

(3) A decision by the department to approve an application for re-enrollment becomes effective on the date of the department's decision. A decision by the department to deny re-enrollment shall take effect not sooner

than thirty days after the date the department mails written notice of the decision to the provider. The department shall specify in the notice the date on which the provider is required to cease operating under the provider agreement.

(D) Pursuant to section 5111.06 of the Revised Code, the department is not required to take the actions specified in division (C)(1) of this section by issuing an order pursuant to an adjudication conducted in accordance with Chapter 119. of the Revised Code.

(E) The use of time-limited provider agreements pursuant to this section does not apply to provider agreements issued to the following, including any provider agreements issued to the following that are otherwise time-limited under the medicaid program:

(1) A managed care organization under contract with the department pursuant to section 5111.17 of the Revised Code;

(2) A nursing facility, as defined in section 5111.20 of the Revised Code;

(3) An intermediate care facility for the mentally retarded, as defined in section 5111.20 of the Revised Code.

Sec. 5111.029. The medicaid program shall cover occupational therapy services provided by an occupational therapist licensed under section 4755.08 of the Revised Code. Coverage shall not be limited to services provided in a hospital or nursing facility. Any licensed occupational therapist may enter into a medicaid provider agreement with the department of job and family services to provide occupational therapy services under the medicaid program.

Sec. 5111.03. (A) No provider of services or goods contracting with the department of job and family services pursuant to the medicaid program shall, by deception, obtain or attempt to obtain payments under this chapter to which the provider is not entitled pursuant to the provider agreement, or the rules of the federal government or the department of job and family services relating to the program. No provider shall willfully receive payments to which the provider is not entitled, or willfully receive payments in a greater amount than that to which the provider is entitled; nor shall any provider falsify any report or document required by state or federal law, rule, or provider agreement relating to medicaid payments. As used in this section, a provider engages in "deception" when the provider, acting with actual knowledge of the representation or information involved, acting in deliberate ignorance of the truth or falsity of the representation or information involved, or acting in reckless disregard of the truth or falsity of the representation or information involved, deceives another or causes

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. No proof of specific intent to defraud is required to show, for purposes of this section, that a provider has engaged in deception.

(B) Any provider who violates division (A) of this section shall be liable, in addition to any other penalties provided by law, for all of the following civil penalties:

(1) Payment of interest on the amount of the excess payments at the maximum interest rate allowable for real estate mortgages under section 1343.01 of the Revised Code on the date the payment was made to the provider for the period from the date upon which payment was made, to the date upon which repayment is made to the state;

(2) Payment of an amount equal to three times the amount of any excess payments;

(3) Payment of a sum of not less than five thousand dollars and not more than ten thousand dollars for each deceptive claim or falsification;

(4) All reasonable expenses which the court determines have been necessarily incurred by the state in the enforcement of this section.

(C) As used in this division, "intermediate care facility for the mentally retarded" and "nursing facility" have the same meanings given in section 5111.20 of the Revised Code.

In addition to the civil penalties provided in division (B) of this section, the director of job and family services, upon the conviction of, or the entry of a judgment in either a criminal or civil action against, a medicaid provider or its owner, officer, authorized agent, associate, manager, or employee in an action brought pursuant to section 109.85 of the Revised Code, shall terminate the provider agreement between the department and the provider and stop reimbursement to the provider for services rendered ~~for a period of up to five years~~ from the date of conviction or entry of judgment. As used in this ~~chapter~~ division, "owner" means any person having at least five per cent ownership in the medicaid provider. No such provider, owner, officer, authorized agent, associate, manager, or employee shall own or provide services to any other medicaid provider or risk contractor or arrange for, render, or order services for medicaid recipients ~~during the period of termination as provided in division (C) of this section,~~ nor, ~~during the period of termination as provided in division (C) of this section,~~ shall such provider, owner, officer, authorized agent, associate,

manager, or employee receive reimbursement in the form of direct payments from the department or indirect payments of medicaid funds in the form of salary, shared fees, contracts, kickbacks, or rebates from or through any participating provider or risk contractor. The provider agreement shall not be terminated or reimbursement terminated if the provider or owner can demonstrate that the provider or owner did not directly or indirectly sanction the action of its authorized agent, associate, manager, or employee that resulted in the conviction or entry of a judgment in a criminal or civil action brought pursuant to section 109.85 of the Revised Code. Nothing in this division prohibits any owner, officer, authorized agent, associate, manager, or employee of a medicaid provider from entering into a medicaid provider agreement if the person can demonstrate that the person had no knowledge of an action of the medicaid provider the person was formerly associated with that resulted in the conviction or entry of a judgment in a criminal or civil action brought pursuant to section 109.85 of the Revised Code.

Nursing facility or intermediate care facility for the mentally retarded providers whose agreements are terminated pursuant to this section may continue to receive reimbursement for up to thirty days after the effective date of the termination if the provider makes reasonable efforts to transfer recipients to another facility or to alternate care and if federal funds are provided for such reimbursement.

(D) For any reason permitted or required by federal law, the director of job and family services may deny a provider agreement or terminate a provider agreement.

For any reason permitted or required by federal law, the director may exclude an individual, provider of services or goods, or other entity from participation in the medicaid program. No individual, provider, or entity excluded under this division shall own or provide services to any other medicaid provider or risk contractor or arrange for, render, or order services for medicaid recipients during the period of exclusion, nor, during the period of exclusion, shall such individual, provider, or entity receive reimbursement in the form of direct payments from the department or indirect payments of medicaid funds in the form of salary, shared fees, contracts, kickbacks, or rebates from or through any participating provider or risk contractor. An excluded individual, provider, or entity may request a reconsideration of the exclusion. The director shall adopt rules in accordance with Chapter 119. of the Revised Code governing the process for requesting a reconsideration.

Nothing in this division limits the applicability of section 5111.06 of the Revised Code to a medicaid provider.

(E) Any provider of services or goods contracting with the department of job and family services pursuant to Title XIX of the "Social Security Act," who, without intent, obtains payments under this chapter in excess of the amount to which the provider is entitled, thereby becomes liable for payment of interest on the amount of the excess payments at the maximum real estate mortgage rate on the date the payment was made to the provider for the period from the date upon which payment was made to the date upon which repayment is made to the state.

~~(E)~~(F) The attorney general on behalf of the state may commence proceedings to enforce this section in any court of competent jurisdiction; and the attorney general may settle or compromise any case brought under this section with the approval of the department of job and family services. Notwithstanding any other provision of law providing a shorter period of limitations, the attorney general may commence a proceeding to enforce this section at any time within six years after the conduct in violation of this section terminates.

~~(F)~~(G) The authority, under state and federal law, of the department of job and family services or a county department of job and family services to recover excess payments made to a provider is not limited by the availability of remedies under sections 5111.11 and 5111.12 of the Revised Code for recovering benefits paid on behalf of recipients of medical assistance.

The penalties under this chapter apply to any overpayment, billing, or falsification occurring on and after April 24, 1978. All moneys collected by the state pursuant to this section shall be deposited in the state treasury to the credit of the general revenue fund.

Sec. 5111.031. (A) As used in this section:

(1) "Independent provider" has the same meaning as in section 5111.034 of the Revised Code.

(2) "Intermediate care facility for the mentally retarded" and "nursing facility" have the same meanings as in section 5111.20 of the Revised Code.

(3) "Noninstitutional medicaid provider" means any person or entity with a medicaid provider agreement other than a hospital, nursing facility, or intermediate care facility for the mentally retarded.

(4) "Owner" means any person having at least five per cent ownership in a noninstitutional medicaid provider.

(B) Notwithstanding any provision of this chapter to the contrary, the department of job and family services shall take action under this section against a noninstitutional medicaid provider or its owner, officer, authorized agent, associate, manager, or employee.

(C) Except as provided in division (D) of this section and in rules

adopted by the department under division (H) of this section, on receiving notice and a copy of an indictment that is issued on or after the effective date of this section and charges a noninstitutional medicaid provider or its owner, officer, authorized agent, associate, manager, or employee with committing an offense specified in division (E) of this section, the department shall suspend the provider agreement held by the noninstitutional medicaid provider. Subject to division (D) of this section, the department shall also terminate medicaid reimbursement to the provider for services rendered.

The suspension shall continue in effect until the proceedings in the criminal case are completed through conviction, dismissal of the indictment, plea, or finding of not guilty. If the department commences a process to terminate the suspended provider agreement, the suspension shall continue in effect until the termination process is concluded. Pursuant to section 5111.06 of the Revised Code, the department is not required to take action under this division by issuing an order pursuant to an adjudication conducted in accordance with Chapter 119. of the Revised Code.

When subject to a suspension under this division, a provider, owner, officer, authorized agent, associate, manager, or employee shall not own or provide services to any other medicaid provider or risk contractor or arrange for, render, or order services for medicaid recipients during the period of suspension. During the period of suspension, the provider, owner, officer, authorized agent, associate, manager, or employee shall not receive reimbursement in the form of direct payments from the department or indirect payments of medicaid funds in the form of salary, shared fees, contracts, kickbacks, or rebates from or through any participating provider or risk contractor.

(D)(1) The department shall not suspend a provider agreement or terminate medicaid reimbursement under division (C) of this section if the provider or owner can demonstrate that the provider or owner did not directly or indirectly sanction the action of its authorized agent, associate, manager, or employee that resulted in the indictment.

(2) The termination of medicaid reimbursement applies only to payments for medicaid services rendered subsequent to the date on which the notice required under division (F) of this section is sent. Claims for reimbursement for medicaid services rendered by the provider prior to the issuance of the notice may be subject to prepayment review procedures whereby the department reviews claims to determine whether they are supported by sufficient documentation, are in compliance with state and federal statutes and rules, and are otherwise complete.

(E)(1) In the case of a noninstitutional medicaid provider that is not an independent provider, the suspension of a provider agreement under division (C) of this section applies when an indictment charges a person with committing an act that would be a felony or misdemeanor under the laws of this state and the act relates to or results from either of the following:

(a) Furnishing or billing for medical care, services, or supplies under the medicaid program;

(b) Participating in the performance of management or administrative services relating to furnishing medical care, services, or supplies under the medicaid program.

(2) In the case of a noninstitutional medicaid provider that is an independent provider, the suspension of a provider agreement under division (C) of this section applies when an indictment charges a person with committing an act that would constitute one of the offenses specified in division (D) of section 5111.034 of the Revised Code.

(F) Not later than five days after suspending a provider agreement under division (C) of this section, the department shall send notice of the suspension to the affected provider or owner. In providing the notice, the department shall do all of the following:

(1) Describe the indictment that was the cause of the suspension, without necessarily disclosing specific information concerning any ongoing civil or criminal investigation;

(2) State that the suspension will continue in effect until the proceedings in the criminal case are completed through conviction, dismissal of the indictment, plea, or finding of not guilty and, if the department commences a process to terminate the suspended provider agreement, until the termination process is concluded;

(3) Inform the provider or owner of the opportunity to submit to the department, not later than thirty days after receiving the notice, a request for a reconsideration pursuant to division (G) of this section.

(G)(1) A noninstitutional medicaid provider or owner subject to a suspension under this section may request a reconsideration. The request shall be made not later than thirty days after receipt of the notice provided under division (F) of this section. The reconsideration is not subject to an adjudication hearing pursuant to Chapter 119. of the Revised Code.

(2) In requesting a reconsideration, the provider or owner shall submit written information and documents to the department. The information and documents may pertain to any of the following issues:

(a) Whether the determination to suspend the provider agreement was based on a mistake of fact, other than the validity of the indictment;

(b) Whether any offense charged in the indictment resulted from an offense specified in division (E) of this section;

(c) Whether the provider or owner can demonstrate that the provider or owner did not directly or indirectly sanction the action of its authorized agent, associate, manager, or employee that resulted in the indictment.

(3) The department shall review the information and documents submitted in a request for reconsideration. After the review, the suspension may be affirmed, reversed, or modified, in whole or in part. The department shall notify the affected provider or owner of the results of the review. The review and notification of its results shall be completed not later than forty-five days after receiving the information and documents submitted in a request for reconsideration.

(H) The department may adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules may specify circumstances under which the department would not suspend a provider agreement pursuant to this section.

Sec. 5111.032. (A) As used in this section:

(1) "Criminal records check" has the same meaning as in section 109.572 of the Revised Code.

(2) "Department" includes a designee of the department of job and family services.

(3) "Owner" means a person who has an ownership interest in a provider in an amount designated by the department of job and family services in rules adopted under this section.

(4) "Provider" means a person, institution, or entity that has a provider agreement with the department of job and family services pursuant to Title XIX of the "Social Security Act," 49 State. 620 (1965), 42 U.S.C. 1396, as amended.

(B)(1) Except as provided in division (B)(2) of this section, the department of job and family services may require that any provider, applicant to be a provider, employee or prospective employee of a provider, owner or prospective owner of a provider, officer or prospective officer of a provider, or board member or prospective board member of a provider submit to a criminal records check as a condition of obtaining a provider agreement, continuing to hold a provider agreement, being employed by a provider, having an ownership interest in a provider, or being an officer or board member of a provider. The department may designate the categories of persons who are subject to the criminal records check requirement. The department shall designate the times at which the criminal records checks must be conducted.

(2) The section does not apply to providers, applicants to be providers, employees of a provider, or prospective employees of a provider who are subject to criminal records checks under section 5111.033 or 5111.034 of the Revised Code.

(C)(1) The department shall inform each provider or applicant to be a provider whether the provider or applicant is subject to a criminal records check requirement under division (B) of this section. For providers, the information shall be given at times designated in rules adopted under this section. For applicants to be providers, the information shall be given at the time of initial application. When the information is given, the department shall specify which of the provider's or applicant's employees or prospective employees, owners or prospective owners, officers or prospective officers, or board members or prospective board members are subject to the criminal records check requirement.

(2) At times designated in rules adopted under this section, a provider that is subject to the criminal records check requirement shall inform each person specified by the department under division (C)(1) of this section that the person is required, as applicable, to submit to a criminal records check for final consideration for employment in a full-time, part-time, or temporary position; as a condition of continued employment; or as a condition of becoming or continuing to be an officer, board member or owner of a provider.

(D)(1) If a provider or applicant to be a provider is subject to a criminal records check under this section, the department shall require the conduct of a criminal records check by the superintendent of the bureau of criminal identification and investigation. If a provider or applicant to be a provider for whom a criminal records check is required 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 individual from the federal bureau of investigation in a criminal records check, the department shall require the provider or applicant to request that the superintendent obtain information from the federal bureau of investigation as part of the criminal records check of the provider or applicant. Even if a provider or applicant for whom a criminal records check request is required presents proof of having been a resident of this state for the five-year period, the department may require that the provider or applicant request that the superintendent obtain information from the federal bureau of investigation and include it in the criminal records check of the provider or applicant.

(2) A provider shall require the conduct of a criminal records check by the superintendent with respect to each of the persons specified by the department under division (C)(1) of this section. If the person for whom a criminal records check is required 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 of the bureau of criminal identification and investigation has requested information about the individual from the federal bureau of investigation in a criminal records check, the individual shall request that the superintendent obtain information from the federal bureau of investigation as part of the criminal records check of the individual. Even if an individual for whom a criminal records check request is required presents proof of having been a resident of this state for the five-year period, the department may require the provider to request that the superintendent obtain information from the federal bureau of investigation and include it in the criminal records check of the person.

(E)(1) Criminal records checks required under this section for providers or applicants to be providers shall be obtained as follows:

(a) The department shall provide each provider or applicant information about accessing and completing the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and the standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section.

(b) The provider or applicant shall submit the required form and one complete set of fingerprint impressions directly to the superintendent for purposes of conducting the criminal records check using the applicable methods prescribed by division (C) of section 109.572 of the Revised Code. The applicant or provider shall pay all fees associated with obtaining the criminal records check.

(c) The superintendent shall conduct the criminal records check in accordance with section 109.572 of the Revised Code. The provider or applicant shall instruct the superintendent to submit the report of the criminal records check directly to the director of job and family services.

(2) Criminal records checks required under this section for persons specified by the department under division (C)(1) of this section shall be obtained as follows:

(a) The provider shall give to each person subject to criminal records check requirement information about accessing and completing the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and the standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section.

(b) The person shall submit the required form and one complete set of fingerprint impressions directly to the superintendent for purposes of conducting the criminal records check using the applicable methods prescribed by division (C) of section 109.572 of the Revised Code. The person shall pay all fees associated with obtaining the criminal records check.

(c) The superintendent shall conduct the criminal records check in accordance with section 109.572 of the Revised Code. The person subject to the criminal records check shall instruct the superintendent to submit the report of the criminal records check directly to the provider. The department may require the provider to submit the report to the department.

(F) If a provider or applicant to be a provider is given the information specified in division (E)(1)(a) of this section but fails to obtain a criminal records check, the department shall, as applicable, terminate the provider agreement or deny the application to be a provider.

If a person is given the information specified in division (E)(2)(a) of this section but fails to obtain a criminal records check, the provider shall not, as applicable, permit the person to be an employee, owner, officer, or board member of the provider.

(G) Except as provided in rules adopted under division (J) of this section, the department shall terminate the provider agreement of a provider or the department shall not issue a provider agreement to an applicant if the provider or applicant is subject to a criminal records check under this section and the provider or applicant has been convicted of, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the following:

(1) 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, 2907.24, 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, 2913.48, 2913.49, 2913.51, 2917.11, 2919.12, 2919.22, 2919.24, 2919.25, 2921.13, 2921.36, 2923.02, 2923.12, 2923.13, 2923.161, 2923.32, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 2925.11, 2925.13, 2925.14, 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:

(2) 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 (D)(1) of this section.

(H)(1)(a) Except as provided in rules adopted under division (J) of this section and subject to division (H)(2) of this section, no provider shall permit a person to be an employee, owner, officer, or board member of the provider if the person is subject to a criminal records check under this section and the person has been convicted of, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the offenses specified in division (G)(1) or (2) of this section.

(b) No provider shall employ a person who has been excluded from participating in the medicaid program, the medicare program operated pursuant to Title XVIII of the "Social Security Act," or any other federal health care program.

(2)(a) A provider may employ conditionally a person for whom a criminal records check is required under this section prior to obtaining the results of a criminal records check regarding the person, but only if the person submits a request for a criminal records check not later than five business days after the individual begins conditional employment.

(b) A provider that employs a person conditionally under authority of division (H)(2)(a) of this section shall terminate the person's employment if the results of the criminal records check request 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, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the offenses specified in division (G)(1) or (2) of this section, the provider shall terminate the person's employment unless the provider chooses to employ the individual pursuant to division (J) of this section.

(I) The report of a criminal records check conducted pursuant to 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 person who is the subject of the criminal records check or the person's representative;

(2) The director of job and family services and the staff of the department in the administration of the medicaid program;

(3) A court, hearing officer, or other necessary individual involved in a

case dealing with the denial or termination of a provider agreement:

(4) A court, hearing officer, or other necessary individual involved in a case dealing with a person's denial of employment, termination of employment, or employment or unemployment benefits.

(J) The department may adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules may specify circumstances under which the department may continue a provider agreement or issue a provider agreement to an applicant when the provider or applicant has been convicted of, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the offenses specified in division (G)(1) or (2) of this section. The rules may also specify circumstances under which a provider may permit a person to be an employee, owner, officer, or board member of the provider, when the person has been convicted of, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the offenses specified in division (G)(1) or (2) of this section.

Sec. ~~5111.95~~ 5111.033. (A) As used in this section:

(1) "Applicant" means a person who is under final consideration for employment or, after ~~the effective date of this section~~ September 26, 2003, an existing employee with a waiver agency in a full-time, part-time, or temporary position that involves providing home and community-based waiver services to a person with disabilities. "Applicant" also means an existing employee with a waiver agency in a full-time, part-time, or temporary position that involves providing home and community-based waiver services to a person with disabilities after ~~the effective date of this section~~ September 26, 2003.

(2) "Criminal records check" has the same meaning as in section 109.572 of the Revised Code.

(3) "Waiver agency" means a person or government entity that is not certified under the medicare program and is accredited by the community health accreditation program or the joint commission on accreditation of health care organizations or a company that provides home and community-based waiver services to persons with disabilities through department of job and family services administered home and community-based waiver programs.

(4) "Home and community-based waiver services" means services furnished under the provision of 42 C.F.R. 441, subpart G, that permit individuals to live in a home setting rather than a nursing facility or hospital. Home and community-based waiver services are approved by the centers for medicare and medicaid for specific populations and are not otherwise

available under the medicaid state plan.

(B)(1) The chief administrator of a waiver agency shall require each applicant to request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check with respect to ~~each~~ the 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 require the applicant to 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 require the applicant to 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~~ The chief administrator shall do both of provide the following:

~~(a) Provide~~ to each applicant for whom a criminal records check request is required under division (B)(1) of this section ~~a copy of:~~

~~(a) Information about accessing, completing, and forwarding to the superintendent of the bureau of criminal identification and investigation the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and a the 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~~ Written notification that the applicant is to instruct the superintendent to submit the completed report of the criminal records check directly to the chief administrator.

~~(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~~ given information and notification under divisions (B)(2)(a) and (b) of this section who fails to access, complete, and forward to the superintendent the form or the standard fingerprint impression sheet, or who fails to instruct the superintendent to submit the

completed report of the criminal records check directly to the chief administrator, shall not be employed in any position in a waiver agency for which a criminal records check is required by this section.

(C)(1) Except as provided in rules adopted by the department of job and family services in accordance with division (F) of this section and subject to division (C)(2) of this section, no waiver agency shall employ a person in a position that involves providing home and community-based waiver services to persons with disabilities if the person has been convicted of ~~or~~ has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for 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, 2907.24, 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, 2913.48, 2913.49, 2913.51, 2917.11, 2919.12, 2919.22, 2919.24, 2919.25, 2921.13, 2921.36, 2923.02, 2923.12, 2923.13, 2923.161, 2923.32, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 2925.11, 2925.13, 2925.14, 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 (C)(1)(a) of this section.

(2)(a) A waiver 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 require the individual to 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) A waiver 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, 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, has~~ pleaded guilty to, or has been found eligible for intervention in lieu of conviction for 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.

(D)(1) ~~Each waiver agency shall pay to the bureau of criminal identification and investigation the~~ 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 shall be paid to the bureau of criminal identification and investigation by the applicant or the waiver agency.

(2) ~~A~~ If a waiver agency pays the fee, it may charge ~~an~~ the 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 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.

(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) An administrator at the department;

(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 department shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall specify circumstances under which a waiver agency may employ a person who has been convicted of ~~or, has~~ pleaded guilty to, or has been found eligible for intervention in lieu of conviction for 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 waiver agency shall inform each

person, at the time of initial application for a position that involves providing home and community-based waiver services to a person with a disability, 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)(1) A person who, on ~~the effective date of this section~~ September 26, 2003, is an employee of a waiver agency in a full-time, part-time, or temporary position that involves providing home and community-based waiver services to a person with disabilities shall comply with this section within sixty days after ~~the effective date of this section~~ September 26, 2003, unless division (H)(2) of this section applies.

(2) This section shall not apply to a person to whom all of the following apply:

(a) On ~~the effective date of this section~~ September 26, 2003, the person is an employee of a waiver agency in a full-time, part-time, or temporary position that involves providing home and community-based waiver services to a person with disabilities.

(b) The person previously had been the subject of a criminal background check relating to that position;

(c) The person has been continuously employed in that position since that criminal background check had been conducted.

Sec. ~~5111.96~~ 5111.034. (A) As used in this section:

(1) "Anniversary date" means the later of the effective date of the provider agreement relating to the independent provider or sixty days after ~~the effective date of this section~~ September 26, 2003.

(2) "Criminal records check" has the same meaning as in section 109.572 of the Revised Code.

(3) "~~The department~~ Department" ~~means~~ includes a designee of the department of job and family services or its designee.

(4) "Independent provider" means a person who is submitting an application for a provider agreement or who has a provider agreement as an independent provider in a department of job and family services administered home and community-based services program providing home and community-based waiver services to consumers with disabilities.

(5) "Home and community-based waiver services" has the same meaning as in section ~~5111.95~~ 5111.033 of the Revised Code.

(B)(1) The department of job and family services shall inform each independent provider, at the time of initial application for a provider agreement that involves providing home and community-based waiver services to consumers with disabilities, that the independent provider is

required to provide a set of fingerprint impressions and that a criminal records check is required to be conducted if the person is to become an independent provider in a department administered home and community-based waiver program.

(2) Beginning on ~~the effective date of this section~~ September 26, 2003, the department shall inform each enrolled medicaid independent provider on or before time of the anniversary date of the provider agreement that involves providing home and community-based waiver services to consumers with disabilities that the independent provider is required to provide a set of fingerprint impressions and that a criminal records check is required to be conducted.

(C)(1) The department shall require the independent provider to complete a criminal records check prior to entering into a provider agreement with the independent provider and at least annually thereafter. If an independent provider for whom a criminal records check 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 of the bureau of criminal identification and investigation has requested information about the ~~applicant~~ independent provider from the federal bureau of investigation in a criminal records check, the department shall request that the independent provider obtain through the superintendent a criminal records request from the federal bureau of investigation as part of the criminal records check of the independent provider. Even if an independent provider 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 department may request that the independent provider obtain information through the superintendent from the federal bureau of investigation in the criminal records check.

(2) The department shall ~~do both of~~ provide the following:

~~(a) Provide information~~ to each independent provider for whom a criminal records check request is required under division (C)(1) of this section ~~about requesting a copy of:~~

(a) Information about accessing, completing, and forwarding to the superintendent of the bureau of criminal identification and investigation the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and a the standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section, and obtain the completed form and impression sheet and fee from the independent provider;

~~(b) Forward the completed form, impression sheet, and fee to the superintendent of the bureau of criminal identification and investigation~~
Written notification that the independent provider is to instruct the superintendent to submit the completed report of the criminal records check directly to the department.

~~(3) An independent provider given information about obtaining the form and fingerprint impression sheet under division (C)(2)(a) of this section who fails to complete the form or provide fingerprint impressions and notification under divisions (C)(2)(a) and (b) of this section who fails to access, complete, and forward to the superintendent the form or the standard fingerprint impression sheet, or who fails to instruct the superintendent to submit the completed report of the criminal records check directly to the department,~~ shall not be approved as an independent provider.

(D) Except as provided in rules adopted by the department in accordance with division (G) of this section, the department shall not issue a new provider agreement to, and shall terminate an existing provider agreement of, an independent provider if the person has been convicted of ~~or~~ has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for any of the following:

(1) 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, 2907.24, 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, 2913.48, 2913.49, 2913.51, 2917.11, 2919.12, 2919.22, 2919.24, 2919.25, 2921.13, 2921.36, 2923.02, 2923.12, 2923.13, 2923.161, 2923.32, 2925.02, 2925.03, 2925.04, 2925.05, 2925.06, 2925.11, 2925.13, 2925.14, 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;

(2) 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 (D)(1) of this section.

(E) Each independent provider 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 (C) of this section.

(F) The report of any criminal records check conducted by the bureau of criminal identification and investigation in accordance with section 109.572 of the Revised Code and pursuant to a request made under division (C) of 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 person who is the subject of the criminal records check or the person's representative;

(2) ~~The An~~ administrator at the department ~~who is requesting the criminal records check~~ or the administrator's representative;

(3) ~~Any A~~ court, hearing officer, or other necessary individual involved in a case dealing with a denial or termination of a provider agreement related to the criminal records check.

(G) The department shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall specify circumstances under which the department may either issue a provider agreement to an independent provider ~~who~~ or allow an independent provider to maintain an existing provider agreement when the independent provider has been convicted of or, has pleaded guilty to, or has been found eligible for intervention in lieu of conviction for an offense listed or described in division (C)(1) of this section but meets personal character standards set by the department.

Sec. 5111.06. (A)(1) As used in this section and in sections 5111.061 and 5111.062 of the Revised Code:

(a) "Provider" means any person, institution, or entity that furnishes medicaid services under a provider agreement with the department of job and family services pursuant to Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended.

(b) "Party" has the same meaning as in division (G) of section 119.01 of the Revised Code.

(c) "Adjudication" has the same meaning as in division (D) of section 119.01 of the Revised Code.

(2) This section does not apply to any action taken by the department of job and family services under sections 5111.35 to 5111.62 of the Revised Code.

(B) Except as provided in division (D) of this section and section 5111.914 of the Revised Code, the department shall do either of the following by issuing an order pursuant to an adjudication conducted in

accordance with Chapter 119. of the Revised Code:

(1) Enter into or refuse to enter into a provider agreement with a provider, or suspend, terminate, renew, or refuse to renew an existing provider agreement with a provider;

(2) Take any action based upon a final fiscal audit of a provider.

(C) Any party who is adversely affected by the issuance of an adjudication order under division (B) of this section may appeal to the court of common pleas of Franklin county in accordance with section 119.12 of the Revised Code.

(D) The department is not required to comply with division (B)(1) of this section whenever any of the following occur:

(1) The terms of a provider agreement require the provider to ~~have hold~~ hold a license, permit, or certificate or maintain a certification issued by an official, board, commission, department, division, bureau, or other agency of state or federal government other than the department of job and family services, and the license, permit, ~~or certificate, or certification~~ has been denied or, revoked, not renewed, suspended, or otherwise limited.

(2) The terms of a provider agreement require the provider to hold a license, permit, or certificate or maintain certification issued by an official, board, commission, department, division, bureau, or other agency of state or federal government other than the department of job and family services, and the provider has not obtained the license, permit, certificate, or certification.

(3) The provider agreement is denied, terminated, or not renewed due to the termination, refusal to renew, or denial of a license, permit, certificate, or certification by an official, board, commission, department, division, bureau, or other agency of this state other than the department of job and family services, notwithstanding the fact that the provider may hold a license, permit, certificate, or certification from an official, board, commission, department, division, bureau, or other agency of another state.

~~(2)~~(4) The provider agreement is denied, terminated, or not renewed pursuant to division (C) or ~~(E)~~(F) of section 5111.03 of the Revised Code;

~~(3)~~(5) The provider agreement is denied, terminated, or not renewed due to the provider's termination, suspension, or exclusion from the medicare program established under Title XVIII of the "Social Security Act," and the termination, suspension, or exclusion is binding on the provider's participation in the medicaid program;

~~(4)~~(6) The provider agreement is denied, terminated, or not renewed due to the provider's pleading guilty to or being convicted of a criminal activity materially related to either the medicare or medicaid program;

~~(5)~~(7) The provider agreement is denied, terminated, or suspended as a result of action by the United States department of health and human services and that action is binding on the provider's participation in the medicaid program;

~~(6)~~(8) The provider agreement is suspended pursuant to section 5111.031 of the Revised Code pending indictment of the provider.

(9) The provider agreement is denied, terminated, or not renewed because the provider has been convicted of one of the offenses that caused the provider agreement to be suspended pursuant to section 5111.031 of the Revised Code.

(10) The provider agreement is converted under section 5111.028 of the Revised Code from a provider agreement that is not time-limited to a provider agreement that is time-limited.

(11) The provider agreement is terminated or an application for re-enrollment is denied because the provider has failed to apply for re-enrollment within the time or in the manner specified for re-enrollment pursuant to section 5111.028 of the Revised Code.

(12) The provider agreement is terminated or not renewed because the provider has not billed or otherwise submitted a medicaid claim to the department for two years or longer, and the department has determined that the provider has moved from the address on record with the department without leaving an active forwarding address with the department.

In the case of a provider described in division (D)~~(6)~~(12) of this section, the department may terminate or not renew the provider agreement by sending a notice explaining the department's proposed action to the address on record with the department. The notice may be sent by regular mail.

(E) The department may withhold payments for services rendered by a medicaid provider under the medical assistance program during the pendency of proceedings initiated under division (B)(1) of this section. If the proceedings are initiated under division (B)(2) of this section, the department may withhold payments only to the extent that they equal amounts determined in a final fiscal audit as being due the state. This division does not apply if the department fails to comply with section 119.07 of the Revised Code, requests a continuance of the hearing, or does not issue a decision within thirty days after the hearing is completed. This division does not apply to nursing facilities and intermediate care facilities for the mentally retarded as defined in section 5111.20 of the Revised Code.

Sec. 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. At least one of the members who is a doctor of medicine or doctor of osteopathy shall be a psychiatrist. The committee shall elect one of its members as chairperson.

Sec. 5111.085. (A) As used in this section, "mental health drug" means a drug that meets one of the following requirements:

(1) Is classified as an antianxiety, antidepressant, anticonvulsant, or antipsychotic central nervous system drug in the most recent edition of one of the following publications:

(a) The American psychiatric press textbook of psychopharmacology;

(b) Current clinical strategies for psychiatry;

(c) Drug facts and comparisons;

(d) A publication with a focus and content comparable to the publications described in divisions (A)(1)(a) to (c) of this section as determined by the director of job and family services.

(2) Is classified in one of the publications described in division (A)(1) of this section as a central nervous system drug in a category or classification that is created after the effective date of this section;

(3) Is classified in one of the publications described in division (A)(1) of this section as a cross-indicated drug for any of the central nervous system drugs specified in division (A)(1) or (2) of this section because the drug's use in that capacity is generally held to be reasonable, appropriate, and within the community standards of care even though the use is not included in the United States food and drug administration's approved labeling for the drug;

(4) Is recommended for the treatment of a mental illness or mental disorder, as those terms are defined in the most recent edition of the American psychiatric association's diagnostic and statistical manual of mental disorders.

(B) The only mental health drugs that may be subjected to a prior authorization requirement, preferred drug list, or generic substitution requirement under the medicaid program are mental health drugs that are brand name and for which there are generic equivalents.

Sec. 5111.10. The director of job and family services may conduct reviews of the medicaid program. The reviews may include physical inspections of records and sites where medicaid-funded services are

provided and interviews of providers and recipients of the services. If the director determines pursuant to a review that a person or government entity has violated a rule governing the medicaid program, the director may establish a corrective action plan for the violator and impose fiscal, administrative, or both types of sanctions on the violator in accordance with rules governing the medicaid program. ~~Such action to be taken against a responsible entity, as defined in section 5101.24 of the Revised Code, shall be taken in accordance with that section.~~

Sec. 5111.101. (A) As used in this section, "~~federal~~;

"Agent" and "contractor" include any agent, contractor, subcontractor, or other person who, on behalf of an entity, furnishes or authorizes the furnishing of health care items or services under the medicaid program, performs billing or coding functions, or is involved in monitoring of health care that an entity provides.

"Employee" includes any officer or employee (including management employees) of an entity.

"Entity" includes a governmental entity or an organization, unit, corporation, partnership, or other business arrangement, including any medicaid managed care organization, irrespective of the form of business structure or arrangement by which it exists, whether for-profit or not-for-profit. "Entity" does not include a government entity that administers one or more components of the medicaid program, unless the government entity receives medicaid payments for providing items or services.

"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 in a federal fiscal year payments in a calendar year that total under the medicaid program, either through the state medicaid plan or a federal medicaid waiver, totaling at least five million dollars or more shall, as a condition of receiving such payments, do all of the following not later than the first day of the succeeding calendar year:~~

~~(1) Provide each of the person or government entity's~~ Establish written policies for all of the entity's employees (including management employees), contractors, and agents; that provide 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 as part of the written information provided under policies required by division (B)(1) of this section detailed information about provisions regarding the person or government entity's policies and procedures for preventing and detecting fraud, waste, and abuse.

(3) Include Disseminate the written policies required by division (B)(1) of this section to each of the entity's employees, contractors, and agents in a paper or electronic form and make the written policies readily available to the entity's employees, contractors, and agents.

(4) If the entity has an employee handbook, 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.

(5) Require the entity's contractors and agents to adopt the entity's written policies required by division (B)(1) of this section.

(C) An entity that furnishes items or services at multiple locations or under multiple contractual or other payment arrangements is required to comply with division (B) of this section if the entity receives in a federal fiscal year medicaid payments totaling in the aggregate at least five million dollars. This applies regardless of whether the entity submits claims for medicaid payments using multiple provider identification or tax identification numbers.

Sec. 5111.102. As used in this section, "state agency" has the same meaning as in section 9.23 of the Revised Code.

No provision of Title LI of the Revised Code or any other law of this state that incorporates any provision of federal Medicaid law, Title XIX of the Social Security Act, 79 Stat. 286 (1965), 42 U.S.C. 1396, or that may be construed as requiring the state, a state agency, or any state official or employee to comply with that federal provision, shall be construed as creating a cause of action to enforce such state law beyond the causes of action available under federal law for enforcement of the provision of federal law.

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~~ a medicaid estate recovery program under which the department shall, except as provided in divisions (C), ~~(D)~~, and (E) of this section, and subject to division (D) of this section, do ~~both~~ all 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;

(3) Seek adjustment or recovery from the estate of other individuals as permitted by federal law.

(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) or (3) 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.

(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 medicaid 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. 5111.112. The department of job and family services shall certify amounts due under the medicaid estate recovery program instituted under section 5111.11 of the Revised Code to the attorney general pursuant to section 131.02 of the Revised Code. The attorney general may enter into a contract with any person or government entity to collect the amounts due on behalf of the attorney general.

The attorney general, in entering into a contract under this section, shall comply with all of the requirements that must be met for the state to receive federal financial participation for the costs incurred in entering into the contract and carrying out actions under the contract. The contract may provide for the person or government entity with which the attorney general contracts to be compensated from the property recovered under the medicaid estate recovery program or may provide for another manner of compensation agreed to by the parties to the contract.

Regardless of whether the attorney general collects the amounts due under the medicaid estate recovery program or contracts with a person or government entity to collect the amounts due on behalf of the attorney general, the amounts due shall be collected in accordance with applicable requirements of federal statutes and regulations and state statutes and rules.

Sec. 5111.113. (A) As used in this section:

(1) "Adult care facility" has the same meaning as in section 3722.01 of

the Revised Code.

(2) "Commissioner" means a person appointed by a probate court under division (B) of section 2113.03 of the Revised Code to act as a commissioner.

(3) "Home" has the same meaning as in section 3721.10 of the Revised Code.

(4) "Personal needs allowance account" means an account or petty cash fund that holds the money of a resident of an adult care facility or home and that the facility or home manages for the resident.

(B) Except as provided in divisions (C) and (D) of this section, the owner or operator of an adult care facility or home shall transfer to the department of job and family services the money in the personal needs allowance account of a resident of the facility or home who was a recipient of the medical assistance program no earlier than sixty days but not later than ninety days after the resident dies. The adult care facility or home shall transfer the money even though the owner or operator of the facility or home has not been issued letters testamentary or letters of administration concerning the resident's estate.

(C) If funeral or burial expenses for a resident of an adult care facility or home who has died have not been paid and the only resource the resident had that could be used to pay for the expenses is the money in the resident's personal needs allowance account, or all other resources of the resident are inadequate to pay the full cost of the expenses, the money in the resident's personal needs allowance account shall be used to pay for the expenses rather than being transferred to the department of job and family services pursuant to division (B) of this section.

(D) If, not later than sixty days after a resident of an adult care facility or home dies, letters testamentary or letters of administration are issued, or an application for release from administration is filed under section 2113.03 of the Revised Code, concerning the resident's estate, the owner or operator of the facility or home shall transfer the money in the resident's personal needs allowance account to the administrator, executor, commissioner, or person who filed the application for release from administration.

(E) The transfer or use of money in a resident's personal needs allowance account in accordance with division (B), (C), or (D) of this section discharges and releases the adult care facility or home, and the owner or operator of the facility or home, from any claim for the money from any source.

(F) If, sixty-one or more days after a resident of an adult care facility or home dies, letters testamentary or letters of administration are issued, or an

application for release from administration under section 2113.03 of the Revised Code is filed, concerning the resident's estate, the department of job and family services shall transfer the funds to the administrator, executor, commissioner, or person who filed the application, unless the department is entitled to recover the money under the medicaid estate recovery program instituted under section 5111.11 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~~ means any person, institution, or entity that furnishes emergency services to a medicaid recipient enrolled in a medicaid managed care organization, regardless of whether the person, institution, or entity has a provider agreement with the department of job and family services pursuant to Title XIX of the "Social Security Act."

(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. 5111.165. (A) Not later than January 1, 2009, the department of job and family services shall develop a payment system based on a risk-adjusted rate structure for purposes of making payments to the health insuring corporations under contract with the department pursuant to section 5111.17 of the Revised Code. In accordance with the implementation schedule specified in division (C) of this section, the risk-adjusted rate structure shall be applied to the payments made to the health insuring corporations for individuals participating in the care management system under division (B)(1) of section 5111.16 of the Revised Code on the basis of being included in the medicaid recipient category designated by the department as covered families and children.

(B) The department shall consult with the health insuring corporations regarding the methodology to be used in developing the risk-adjusted rate

structure. In developing the rate structure, the department shall use all of the following:

(1) Medical information and other relevant encounter data necessary to obtain an accurate reflection of the utilization rates and unit costs of the health care services provided to medicaid recipients in the covered families and children category;

(2) A comprehensive risk adjustment tool, such as the chronic illness and disability payment system developed by the university of California, San Diego;

(3) Medicaid cost reports submitted by the health insuring corporations;

(4) Historical and present information on the health insuring corporation enrollment and medicaid eligibility of medicaid recipients in the covered families and children category;

(5) Actuarially sound assumptions regarding the administrative costs of the health insuring corporations and maintenance of their contingency and surplus financial reserves;

(6) A deviation factor that recognizes the impact of adverse claims for payment of health care services;

(7) Any other information recognized by the society of actuaries as relevant to the development of rates that are actuarially sound according to generally accepted actuarial principles and practices.

(C) The risk-adjusted rate structure shall be applied in accordance with the following implementation schedule:

(1) In the first year after the rate structure is developed, fifty per cent of each health insuring corporation's payments shall be risk-adjusted.

(2) In the second year after the rate structure is developed and each year thereafter, all of the payments shall be risk-adjusted.

(D) For purposes of making payments that are not risk-adjusted during the first year the risk-adjusted rate structure is implemented, the department shall develop a reasonable payment range under which the payments may be changed because of the rate structure's implementation.

Sec. 5111.166. In implementing the care management system under section 5111.16 of the Revised Code, the department of job and family services shall provide to the health insuring corporations under contract with the department pursuant to section 5111.17 of the Revised Code a monthly report with information on the medicaid recipients enrolled in the corporations who will no longer be eligible for medicaid. The first report shall be provided not later than December 1, 2007.

The department shall provide the reports to the health insuring corporations in an electronic format. The department shall consult with the

health insuring corporations to determine the most efficient method of providing the reports.

Sec. 5111.17. (A) The department of job and family services may enter into contracts with managed care organizations, including health insuring corporations, under which the organizations are authorized to provide, or arrange for the provision of, health care services to medical assistance recipients who are required or permitted to obtain health care services through managed care organizations as part of the care management system established under section 5111.16 of the Revised Code.

~~(B) The department shall develop and implement a financial incentive program to improve and reward positive health outcomes through the managed care organization contracts entered into under this section. In developing and implementing the program, the department may take into consideration the recommendations regarding the program made by the medicaid care management working group created under section 5111.161 of the Revised Code~~ (1) For purposes of making payments to health insuring corporations under contract pursuant to this section, the department shall develop, certify, and implement actuarially sound capitation rates, as defined in 42 C.F.R. 438.6. In taking these actions, the department shall comply with all applicable requirements of 42 C.F.R. 438.6 and Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396b(m), as amended.

(2) Before the department may submit proposed capitation rates for approval by the United States centers for medicare and medicaid services, the department shall prepare a separate document that specifies the manner in which the rates conform to generally accepted actuarial principles and practices. When the proposed rates are submitted for approval, the department shall include the document as part of its submission of information to the centers for medicare and medicaid services.

(3) The document prepared under division (B)(2) of this section shall include information on all of the following:

(a) How the proposed rates are appropriate with respect to the individuals or groups of individuals who will be enrolled in the health insuring corporations;

(b) How the proposed rates are appropriate for the services that will be covered by the health insuring corporations;

(c) How the proposed rates are adequate to meet the administrative requirements of the health insuring corporations;

(d) Any other matter the department considers to be relevant to the development of actuarially sound capitation rates.

(4) In preparing the document required under division (B)(2) of this section, the department may consult with the superintendent of insurance. The department may ask the superintendent to assess whether the proposed rates, if implemented, would do any of the following:

(a) Adversely affect a health insuring corporation in a manner that results in the need to prepare and submit an RBC plan in accordance with section 1753.33 of the Revised Code;

(b) Cause the superintendent, in the case of a health insuring corporation with a parent company, to take actions requiring the use of the parent company's guaranty established under division (A)(27) of section 1751.03 of the Revised Code as a condition of applying for a certificate of authority to establish and operate the health insuring corporation;

(c) Negatively impact, in general, the financial solvency of a health insuring corporation.

(C) The director of job and family services may adopt rules in accordance with Chapter 119. of the Revised Code to implement this section.

Sec. 5111.172. (A) When contracting under section 5111.17 of the Revised Code with a managed care organization that is a health insuring corporation, the department of job and family services may require the health insuring corporation to provide coverage of prescription drugs for medicaid recipients enrolled in the health insuring corporation. In providing the required coverage, the health insuring corporation may, subject to the department's approval and the limitations provided under division (C) of this section, use strategies for the management of drug utilization.

(B) As used in this division, "controlled substance" has the same meaning as in section 3719.01 of the Revised Code.

If a health insuring corporation is required under this section to provide coverage of prescription drugs, the department shall permit the health insuring corporation to develop and implement a pharmacy utilization management program under which prior authorization through the program is established as a condition of obtaining a controlled substance pursuant to a prescription. The program may include processes for requiring medicaid recipients at high risk for fraud or abuse involving controlled substances to have their prescriptions for controlled substances filled by a pharmacy, medical provider, or health care facility designated by the program.

(C) As used in this division, "mental health drug" has the same meaning as in section 5111.085 of the Revised Code.

If a contract under section 5111.17 of the Revised Code requires a health insuring corporation to provide prescription drug coverage for

medicaid recipients as described in division (A) of this section, the contract shall include terms under which the only mental health drugs that may be subjected to a prior authorization requirement, preferred drug list, or generic substitution requirement are mental health drugs that are brand name and for which there are generic equivalents.

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)(1) "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.

(2) The definition of "date of licensure" in this section applies in determinations of the medicaid reimbursement rate for a nursing facility or intermediate care facility for the mentally retarded but does not apply in determinations of the franchise permit fee for a nursing facility or intermediate care facility for the mentally retarded.

(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, respiratory therapists, and except as provided in division (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, off-site day programming, 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 following:

(1) In the context of nursing facilities, the fee imposed by sections 3721.50 to 3721.58 of the Revised Code;

(2) In the context of intermediate care facilities for the mentally retarded, the fee imposed by sections 5112.30 to 5112.39 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. 5111.69. (A) In accordance with 42 C.F.R. 431.12, there is hereby created the medical care advisory council. The council shall advise the department of job and family services about health and medical care services for purposes of the medicaid program. The department shall grant the council the opportunity to participate in medicaid policy development and program administration.

(B) The council shall consist of the following members:

(1) Three individuals representing health professions, including one or more individuals representing board-certified physicians, who are familiar with the medical needs of low-income population groups and with the resources available and required for their care, 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) Two individuals representing consumers' groups, including medicaid recipients and consumer organizations such as labor unions, one appointed by the president of the senate and one appointed by the speaker of the house of representatives;

(3) Three individuals representing health insuring corporations that have entered into contracts with the department pursuant to section 5111.17 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;

(4) Two individuals representing the business community, one appointed by the president of the senate and one appointed by the speaker of the house of representatives;

(5) One individual representing county departments of job and family services, appointed by the governor.

(C) The members of the council shall serve at the pleasure of their appointing authorities. Vacancies shall be filled in the manner provided for original appointments.

(D) At its first meeting, the council shall organize by electing a chairperson from among its members and adopting bylaws for its operation. The bylaws shall include provisions specifying the length of the term a

member may serve as chairperson.

Sec. 5111.70. (A) As used in sections 5111.70 to 5111.7011 of the Revised Code:

"Applicant" means an individual who applies to participate in the medicaid buy-in for workers with disabilities program.

"Earned income" has the meaning established by rules adopted under section 5111.708 of the Revised Code.

"Employed individual with a medically improved disability" has the same meaning as in 42 U.S.C. 1396d(v).

"Family" means an applicant or participant and the spouse and dependent children of the applicant or participant. If an applicant or participant is under eighteen years of age, "family" also means the parents of the applicant or participant.

"Federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

"Health insurance" has the meaning established by rules adopted under section 5111.708 of the Revised Code.

"Income" means earned income and unearned income.

"Participant" means an individual who has been determined eligible for the medicaid buy-in for workers with disabilities program and is participating in the program.

"Resources" has the meaning established by rules adopted under section 5111.708 of the Revised Code.

"Spouse" has the meaning established in rules adopted under section 5111.708 of the Revised Code.

"Supplemental security income program" means the program established under Title XVI of the "Social Security Act," 86 Stat. 1329 (1972), 42 U.S.C. 1381, as amended.

"Medicaid buy-in for workers with disabilities program" means the component of the medicaid program established under sections 5111.70 to 5111.7011 of the Revised Code.

"Unearned income" has the meaning established by rules adopted under section 5111.708 of the Revised Code.

(B) Not later than one hundred eighty days after the effective date of this section, the director of job and family services shall submit to the United States secretary of health and human services an amendment to the state medicaid plan and any federal waiver necessary to establish the medicaid buy-in for workers with disabilities program in accordance with 42 U.S.C. 1396a(a) (10)(A)(ii)(XV) and (XVI) and sections 5111.70 to 5111.7011 of the Revised Code. The director shall implement sections

5111.701 to 5111.7011 of the Revised Code if the amendment and, if needed, federal waiver are approved.

Sec. 5111.701. Under the medicaid buy-in for workers with disabilities program, an individual who does all of the following in accordance with rules adopted under section 5111.708 of the Revised Code qualifies for medical assistance under the medicaid program:

(A) Applies for the medicaid buy-in for workers with disabilities program;

(B) Provides satisfactory evidence of all of the following:

(1) That the individual is at least sixteen years of age and under sixty-five years of age;

(2) Except as provided in section 5111.706 of the Revised Code, that one of the following applies to the individual:

(a) The individual is considered disabled for the purpose of the supplemental security income program, regardless of whether the individual receives supplemental security income benefits, and the individual has earnings from employment.

(b) The individual is an employed individual with a medically improved disability.

(3) That the value of the individual's resources, less amounts disregarded pursuant to rules adopted under section 5111.708 of the Revised Code, does not exceed the amount provided for by section 5111.702 of the Revised Code;

(4) That the individual's income, less amounts disregarded pursuant to section 5111.703 of the Revised Code, does not exceed two hundred fifty per cent of the federal poverty guidelines;

(5) That the individual meets the additional eligibility requirements for the medicaid buy-in for workers with disabilities program that the director of job and family services establishes in rules adopted under section 5111.708 of the Revised Code.

(C) To the extent required by section 5111.704 of the Revised Code, pays the premium established under that section.

Sec. 5111.702. (A) Except as provided in division (B) of this section, the maximum value of resources, less amounts disregarded pursuant to rules adopted under section 5111.708 of the Revised Code, that an individual may have without the individual exceeding the resource eligibility limit for the medicaid buy-in for workers with disabilities program shall not exceed ten thousand dollars.

(B) Each calendar year, the director of job and family services shall adjust the resource eligibility limit specified in division (A) of this section

by the change in the consumer price index for all items for all urban consumers for the previous calendar year, as published by the United States bureau of labor statistics. The annual adjustment shall go into effect on the earliest date possible.

Sec. 5111.703. For the purpose of determining whether an individual is within the income eligibility limit for the medicaid buy-in for workers with disabilities program, all of the following apply:

(A) Twenty thousand dollars of the individual's earned income shall be disregarded.

(B) No amount that the individual's employer pays to obtain health insurance for one or more members of the individual's family, including any amount of a premium established under section 5111.704 of the Revised Code that the employer pays, shall be treated as the individual's income.

(C) Any other amounts, if any, specified in rules adopted under section 5111.708 of the Revised Code shall be disregarded from the individual's earned income, unearned income, or both.

Sec. 5111.704. An individual whose income exceeds one hundred fifty per cent of the federal poverty guidelines shall pay an annual premium as a condition of qualifying for the medicaid buy-in for workers with disabilities program. The amount of the premium shall be determined as follows:

(A) Subtract one hundred fifty per cent of the federal poverty guidelines, as applicable for a family size equal to the size of the individual's family, from the amount of the income of the individual's family;

(B) Subtract an amount specified in rules adopted under section 5111.708 of the Revised Code from the difference determined under division (A) of this section;

(C) Multiply the difference determined under division (B) of this section by one tenth.

Sec. 5111.705. No individual shall be denied eligibility for the medicaid buy-in for workers with disabilities program on the basis that the individual receives services under a home and community-based services medicaid waiver component as defined in section 5111.851 of the Revised Code.

Sec. 5111.706. An individual participating in the medicaid buy-in for workers with disabilities program may continue to participate in the program for up to six months even though the individual ceases to have earnings from employment or to be an employed individual with a medically improved disability due to ceasing to be employed if the individual continues to meet all other eligibility requirements for the program.

Sec. 5111.707. If the United States secretary of health and human services requires that a provision in the amendment to the state medicaid

plan or the federal waiver request submitted under section 5111.70 of the Revised Code be changed or removed in order for the secretary to approve the amendment or waiver or to avoid an extended delay in the secretary's approval, the director of job and family services shall make the change or removal. The change or removal may cause the medicaid buy-in for workers with disabilities program to include a provision that is inconsistent with sections 5111.70 to 5111.706 of the Revised Code. Such a change or removal shall be made only to the extent necessary to obtain the United States secretary's approval or avoid an extended delay in the secretary's approval and shall be reflected in rules adopted under section 5111.708 of the Revised Code.

Sec. 5111.708. (A) The director of job and family services, after consulting with the medicaid buy-in advisory council, shall adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement the medicaid buy-in for workers with disabilities program. The rules shall do all of the following:

(1) Specify assets, asset values, and amounts to be disregarded in determining asset and income eligibility limits for the program;

(2) Establish meanings for the terms "earned income," "health insurance," "resources," "spouse," and "unearned income";

(3) Establish additional eligibility requirements for the program that must be established for the United States secretary of health and human services to approve the program;

(4) For the purpose of division (B) of section 5111.704 of the Revised Code, specify an amount to be subtracted from the difference determined under division (A) of that section.

(B) The director, after consulting with the medicaid buy-in advisory council, may adopt rules in accordance with Chapter 119. of the Revised Code to specify amounts to be disregarded from an individual's earned income, unearned income, or both under division (C) of section 5111.703 of the Revised Code for the purpose of determining whether the individual is within the income eligibility limit for the medicaid buy-in for workers with disabilities program.

Sec. 5111.709. (A) There is hereby created the medicaid buy-in advisory council. The council shall consist of all of the following:

(1) The following voting members:

(a) The executive director of assistive technology of Ohio or the executive director's designee;

(b) The director of the axis center for public awareness of people with disabilities or the director's designee;

(c) The executive director of the cerebral palsy association of Ohio or the executive director's designee;

(d) The chief executive officer of Ohio advocates for mental health or the chief executive officer's designee;

(e) The state director of the Ohio chapter of AARP or the state director's designee;

(f) The director of the Ohio developmental disabilities council created under section 5123.35 of the Revised Code or the director's designee;

(g) The executive director of the governor's council on people with disabilities created under section 3303.41 of the Revised Code or the executive director's designee;

(h) The administrator of the legal rights service created under section 5123.60 of the Revised Code or the administrator's designee;

(i) The chairperson of the Ohio Olmstead task force or the chairperson's designee;

(j) The executive director of the Ohio statewide independent living council or the executive director's designee;

(k) The president of the Ohio chapter of the national multiple sclerosis society or the president's designee;

(l) The executive director of the arc of Ohio or the executive director's designee;

(m) The executive director of the commission on minority health or the executive director's designee;

(n) The executive director of the brain injury association of Ohio or the executive director's designee;

(o) The executive officer of any other advocacy organization who volunteers to serve on the council, or such an executive officer's designee, if the other voting members, at a meeting called by the chairperson elected under division (C) of this section, determine it is appropriate for the advocacy organization to be represented on the council;

(p) One or more participants who volunteer to serve on the council and are selected by the other voting members at a meeting the chairperson calls after the medicaid buy-in for workers with disabilities program is implemented.

(2) The following non-voting members:

(a) The director of job and family services or the director's designee;

(b) The administrator of the rehabilitation services commission or the administrator's designee;

(c) The director of alcohol and drug addiction services or the director's designee;

(d) The director of mental retardation and developmental disabilities or the director's designee;

(e) The director of mental health or the director's designee;

(f) The executive officer of any other government entity, or the executive officer's designee, if the voting members, at a meeting called by the chairperson, determine it is appropriate for the government entity to be represented on the council.

(B) All members of the medicaid buy-in advisory council shall serve without compensation or reimbursement, except as serving on the council is considered part of their usual job duties.

(C) The voting members of the medicaid buy-in advisory council shall elect one of the members of the council to serve as the council's chairperson for a two-year term. The chairperson may be re-elected to successive terms.

(D) The department of job and family services shall provide the Ohio medicaid buy-in advisory council with accommodations for the council to hold its meetings and shall provide the council with other administrative assistance the council needs to perform its duties.

Sec. 5111.7010. The director of job and family services or the director's designee shall consult with the medicaid buy-in advisory council before adopting, amending, or rescinding any rules under section 5111.708 of the Revised Code governing the medicaid buy-in for workers with disabilities program.

The director or designee shall meet at least quarterly with the council to discuss the program. At the meetings, the council may provide the director or designee with suggestions for improving the program and the director or designee shall provide the council with all of the following information:

(A) The number of individuals who participated in the program the previous calendar quarter;

(B) The cost of the program the previous calendar quarter;

(C) The amount of revenue generated the previous quarter by premiums that participants pay under section 5111.704 of the Revised Code;

(D) The average amount of earned income of participants' families;

(E) The average amount of time participants have participated in the program;

(F) The types of other health insurance participants have been able to obtain.

Sec. 5111.7011. Not less than once each year, the director of job and family services shall submit a report on the medicaid buy-in for workers with disabilities program to the governor, speaker and minority leader of the house of representatives, president and minority leader of the senate, and

chairpersons of the house and senate committees to which the biennial operating budget bill is referred. The report shall include all of the following information:

(A) The number of individuals who participated in the medicaid buy-in for workers with disabilities program;

(B) The cost of the program;

(C) The amount of revenue generated by premiums that participants pay under section 5111.704 of the Revised Code;

(D) The average amount of earned income of participants' families;

(E) The average amount of time participants have participated in the program;

(F) The types of other health insurance participants have been able to obtain.

Sec. 5111.84. The director of job and family services may not submit a request to the United States secretary of health and human services for a medicaid waiver under section 1115 of the "Social Security Act of 1935," 42 U.S.C. 1315, unless the director provides the speaker of the house of representatives and president of the senate written notice of the director's intent to submit the request at least ten days before the date the director submits the request to the United States secretary. The notice shall include a detailed explanation of the medicaid waiver the director proposes to seek.

Sec. 5111.851. (A) As used in sections 5111.851 to 5111.855 of the Revised Code:

"Administrative agency" means, with respect to a home and community-based services medicaid waiver component, the department of job and family services or, if a state agency or political subdivision contracts with the department under section 5111.91 of the Revised Code to administer the component, that state agency or political subdivision.

"Home and community-based services medicaid waiver component" means a medicaid waiver component under which home and community-based services are provided as an alternative to hospital, nursing facility, or intermediate care facility for the mentally retarded services.

"Hospital" has the same meaning as in section 3727.01 of the Revised Code.

"Intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

"Level of care determination" means a determination of whether an individual needs the level of care provided by a hospital, nursing facility, or intermediate care facility for the mentally retarded and whether the individual, if determined to need that level of care, would receive hospital,

nursing facility, or intermediate care facility for the mentally retarded services if not for a home and community-based services medicaid waiver component.

"Medicaid buy-in for workers with disabilities program" means the component of the medicaid program established under sections 5111.70 to 5111.7011 of the Revised Code.

"Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

"Skilled nursing facility" means a facility certified as a skilled nursing facility under Title XVIII of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1395, as amended.

(B) The following requirements apply to each home and community-based services medicaid waiver component:

(1) Only an individual who qualifies for a component shall receive that component's services.

(2) A level of care determination shall be made as part of the process of determining whether an individual qualifies for a component and shall be made each year after the initial determination if, during such a subsequent year, the administrative agency determines there is a reasonable indication that the individual's needs have changed.

(3) A written plan of care or individual service plan based on an individual assessment of the services that an individual needs to avoid needing admission to a hospital, nursing facility, or intermediate care facility for the mentally retarded shall be created for each individual determined eligible for a component.

(4) Each individual determined eligible for a component shall receive that component's services in accordance with the individual's level of care determination and written plan of care or individual service plan.

(5) No individual may receive services under a component while the individual is a hospital inpatient or resident of a skilled nursing facility, nursing facility, or intermediate care facility for the mentally retarded.

(6) No individual may receive prevocational, educational, or supported employment services under a component if the individual is eligible for such services that are funded with federal funds provided under 29 U.S.C. 730 or the "Individuals with Disabilities Education Act," 111 Stat. 37 (1997), 20 U.S.C. 1400, as amended.

(7) Safeguards shall be taken to protect the health and welfare of individuals receiving services under a component, including safeguards established in rules adopted under section 5111.85 of the Revised Code and safeguards established by licensing and certification requirements that are

applicable to the providers of that component's services.

(8) No services may be provided under a component by a provider that is subject to standards that 42 U.S.C. 1382e(e)(1) requires be established if the provider fails to comply with the standards applicable to the provider.

(9) Individuals determined to be eligible for a component, or such individuals' representatives, shall be informed of that component's services, including any choices that the individual or representative may make regarding the component's services, and given the choice of either receiving services under that component or, as appropriate, hospital, nursing facility, or intermediate care facility for the mentally retarded services.

(10) No individual shall lose eligibility for services under a component, or have the services reduced or otherwise disrupted, on the basis that the individual also receives services under the medicaid buy-in for workers with disabilities program.

(11) No individual shall lose eligibility for services under a component, or have the services reduced or otherwise disrupted, on the basis that the individual's income or resources increase to an amount above the eligibility limit for the component if the individual is participating in the medicaid buy-in for workers with disabilities program and the amount of the individual's income or resources does not exceed the eligibility limit for the medicaid buy-in for workers with disabilities program.

(12) No individual receiving services under a component shall be required to pay any cost sharing expenses for the services for any period during which the individual also participates in the medicaid buy-in for workers with disabilities program.

Sec. 5111.871. The department of job and family services shall enter into a contract with the department of mental retardation and developmental disabilities under section 5111.91 of the Revised Code with regard to one or more of the components of the medicaid program established by the department of job and family services under one or more of the medicaid waivers sought under section 5111.87 of the Revised Code. The contract shall provide for the department of mental retardation and developmental disabilities to administer the components in accordance with the terms of the waivers. The directors of job and family services and mental retardation and developmental disabilities shall adopt rules in accordance with Chapter 119. of the Revised Code governing the components.

If the department of mental retardation and developmental disabilities or the department of job and family services denies an individual's application for home and community-based services provided under any of these medicaid components, the department that denied the services shall give

timely notice to the individual that the individual may request a hearing under section 5101.35 of the Revised Code.

The departments of mental retardation and developmental disabilities and job and family services may approve, reduce, deny, or terminate a service included in the individualized service plan developed for a medicaid recipient eligible for home and community-based services provided under any of these medicaid components. The departments shall consider the recommendations a county board of mental retardation and developmental disabilities makes under division (A)(1)(c) of section 5126.055 of the Revised Code. If either department approves, reduces, denies, or terminates a service, that department shall give timely notice to the medicaid recipient that the recipient may request a hearing under section 5101.35 of the Revised Code.

If supported living ~~or residential services~~, as defined in section 5126.01 of the Revised Code, ~~are~~ is to be provided as a service under any of these components, any person or government entity with a current, valid medicaid provider agreement and a current, valid ~~license under section 5123.19 or certificate under section 5123.16 or 5126.431~~ 5123.161 of the Revised Code may provide the ~~services~~ service.

If a service is to be provided under any of these components by a residential facility, as defined in section 5123.19 of the Revised Code, any person or government entity with a current, valid medicaid provider agreement and a current, valid license under section 5123.19 of the Revised Code may provide the service.

Sec. 5111.872. When the department of mental retardation and developmental disabilities allocates enrollment numbers to a county board of mental retardation and developmental disabilities for home and community-based services specified in division (B)(1) of section 5111.87 of the Revised Code and provided under any of the components of the medicaid program that the department administers under section 5111.871 of the Revised Code, the department shall consider all of the following:

(A) The number of individuals with mental retardation or other developmental disability who are on a waiting list the county board establishes under division (C) of section 5126.042 of the Revised Code for those services and are given priority on the waiting list pursuant to division (D) or (E) of that section;

(B) The implementation component required by division (A)~~(4)~~(3) of section 5126.054 of the Revised Code of the county board's plan approved under section 5123.046 of the Revised Code;

(C) Anything else the department considers necessary to enable county

boards to provide those services to individuals in accordance with the priority requirements of divisions (D) and (E) of section 5126.042 of the Revised Code.

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~~ 5123.161 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~~ 5123.161 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. 5111.89. (A) As used in sections 5111.89 to ~~5111.893~~ 5111.894 of the Revised Code:

"Area agency on aging" has the same meaning as in section 173.14 of the Revised Code.

"Assisted living program" means the medicaid waiver component for which the director of job and family services is authorized by this section to request a medicaid waiver.

"Assisted living services" means the following home and community-based services: personal care, homemaker, chore, attendant care, companion, medication oversight, and therapeutic social and recreational programming.

"County or district home" means a county or district home operated under Chapter 5155. of the Revised Code.

"Long-term care consultation program" means the program the department of aging is required to develop under section 173.42 of the Revised Code.

"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.

"Medicaid waiver component" has the same meaning as in section 5111.85 of the Revised Code.

"Nursing facility" has the same meaning as in section 5111.20 of the

Revised Code.

"Residential care facility" has the same meaning as in section 3721.01 of the Revised Code.

(B) The director of job and family services may submit a request to the United States secretary of health and human services under 42 U.S.C. 1396n to obtain a waiver of federal medicaid requirements that would otherwise be violated in the creation and implementation of a program under which assisted living services are provided to not more than one thousand eight hundred individuals who meet the program's eligibility requirements established under section 5111.891 of the Revised Code.

If the secretary approves the medicaid waiver requested under this section and the director of budget and management approves the contract, the department of job and family services shall enter into a contract with the department of aging under section 5111.91 of the Revised Code that provides for the department of aging to administer the assisted living program. The contract shall include an estimate of the program's costs.

The director of job and family services may adopt rules under section 5111.85 of the Revised Code regarding the assisted living program. The director of aging may adopt rules under Chapter 119. of the Revised Code regarding the program that the rules adopted by the director of job and family services authorize the director of aging to adopt.

Sec. 5111.891. To be eligible for the assisted living program, an individual must meet all of the following requirements:

(A) Need an intermediate level of care as determined under rule 5101:3-3-06 of the Administrative Code;

(B) At the time the individual applies for the assisted living program, be one of the following:

(1) A nursing facility resident who is seeking to move to a residential care facility and would remain in a nursing facility for long term care if not for the assisted living program;

(2) A participant of any of the following medicaid waiver components who would move to a nursing facility if not for the assisted living program:

(a) The PASSPORT program created under section 173.40 of the Revised Code;

(b) The medicaid waiver component called the choices program that the department of aging administers;

(c) A medicaid waiver component that the department of job and family services administers.

(3) A resident of a residential care facility who has resided in a residential care facility for at least six months immediately before the date

the individual applies for the assisted living program.

(C) At the time the individual receives assisted living services under the assisted living program, reside in a residential care facility, including both of the following:

(1) A residential care facility that is owned or operated by a metropolitan housing authority that has a contract with the United States department of housing and urban development to receive an operating subsidy or rental assistance for the residents of the facility;

(2) A county or district home licensed as a residential care facility.

(D) Meet all other eligibility requirements for the assisted living program established in rules adopted under section 5111.85 of the Revised Code.

Sec. 5111.894. When an area agency on aging determines that an individual who is eligible for the medicaid program and resides in the area that the area agency on aging serves 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 assisted living program is appropriate for the individual and whether the individual would rather participate in the assisted living program than continue residing in the nursing facility. If the administrator determines that the assisted living program is appropriate for the individual and the individual would rather participate in the assisted living program than continue residing in the nursing facility, the administrator shall provide the individual or individual's representative information about how to apply for the assisted living program and whether there is a waiting list for the assisted living program.

Sec. 5112.341. (A) In addition to assessing a penalty pursuant to section 5112.34 of the Revised Code, the department of job and family services may do ~~either~~ any of the following if an intermediate care facility for the mentally retarded fails to pay the full amount of a franchise permit fee installment when due:

(1) Withhold an amount less than or equal to the installment and penalty assessed under section 5112.34 of the Revised Code from a medicaid payment due the facility until the facility pays the installment and penalty;

(2) Offset an amount less than or equal to the installment and penalty assessed under section 5112.34 of the Revised Code from a Medicaid payment due the nursing facility or hospital;

(3) Terminate the facility's medicaid provider agreement.

(B) The department may ~~withhold~~ offset a medicaid payment under division (A)~~(4)~~ of this section without providing notice to the intermediate

care facility for the mentally retarded and without conducting an adjudication under Chapter 119. of the Revised Code.

Sec. 5115.12. (A) The director of job and family services shall adopt rules in accordance with section 111.15 of the Revised Code governing the disability medical assistance program. The rules may establish or specify any or all of the following:

- (1) Income, resource, citizenship, age, residence, living arrangement, and other eligibility requirements;
- (2) Health services to be included in the program;
- (3) The maximum authorized amount, scope, duration, or limit of payment for services;
- (4) Limits on the length of time an individual may receive disability medical assistance;
- (5) Limits on the total number of individuals in the state who may receive disability medical assistance;
- (6) Limits on the number and types of providers eligible to be reimbursed for services provided to individuals enrolled in the program.

(B) For purposes of limiting the cost of the disability medical assistance program, the director may do either of the following:

- (1) Adopt rules in accordance with section 111.15 of the Revised Code that revise the program's eligibility requirements; the maximum authorized amount, scope, duration, or limit of payment for services included in the program; or any other requirement or standard established or specified by rules adopted under division (A) of this section or under section 5115.10 of the Revised Code;
- (2) Suspend acceptance of applications for disability medical assistance. While a suspension is in effect, no person shall receive a determination or redetermination of eligibility for disability medical assistance unless the person was receiving the assistance during the month immediately preceding the suspension's effective date or the person submitted an application prior to the suspension's effective date and receives a determination of eligibility based on that application. The director may adopt rules in accordance with section 111.15 of the Revised Code establishing requirements and specifying procedures applicable to the suspension of acceptance of applications.

Sec. 5119.611. (A) A community mental health agency that seeks certification of its community mental health services shall submit an application to the director of mental health. On receipt of the application, the director may visit and shall evaluate the agency to determine whether its services satisfy the standards established by rules adopted under division

~~(D)~~(C) of this section. The director shall make the evaluation, and, if the director visits the agency, shall make the visit, in cooperation with the board of alcohol, drug addiction, and mental health services with which the agency seeks to contract under division (A)(8)(a) of section 340.03 of the Revised Code.

~~Subject to divisions (B) and (C) of this section~~ If the director determines that a community mental health agency's services satisfy the standards and the agency has paid the fee required under division (B) of this section, the director shall certify a community mental health agency's the services ~~that the director determines satisfy the standards.~~

If the director determines that a community mental health agency's services do not satisfy the standards, the director shall identify the areas of noncompliance, specify what action is necessary to satisfy the standards, and offer technical assistance to the board of alcohol, drug addiction, and mental health services so that the board may assist the agency in satisfying the standards. The director shall give the agency a reasonable time within which to demonstrate that its services satisfy the standards or to bring the services into compliance with the standards. If the director concludes that the services continue to fail to satisfy the standards, the director may request that the board reallocate the funds for the community mental health services the agency was to provide to another community mental health agency whose community mental health services satisfy the standards. If the board does not reallocate those funds in a reasonable period of time, the director may withhold state and federal funds for the community mental health services and allocate those funds directly to a community mental health agency whose community mental health services satisfy the standards.

(B) Each community mental health agency seeking certification of its community mental health services under this section shall pay a fee for the certification review required by this section. Fees shall be paid into the sale of goods and services fund created pursuant to section 5119.161 of the Revised Code.

~~(C) The director may certify a community mental health service only if the service is for individuals whose focus of treatment is a mental disorder according to the edition of the American psychiatric association's diagnostic and statistical manual of mental disorders that is current at the time the director issues the certification, including such services for individuals who have a mental disorder and a co-occurring substance use disorder, substance induced disorder, chronic dementing organic mental disorder, mental retardation, or developmental disability. The director may not certify a service that is for individuals whose focus of treatment is solely a substance~~

~~use disorder, substance-induced disorder, chronic dementing organic mental disorder, mental retardation, or developmental disability.~~

(D) The director shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall do all of the following:

(1) Establish certification standards for community mental health services, including assertive community treatment and intensive home-based mental health services, that are consistent with nationally recognized applicable standards and facilitate participation in federal assistance programs. The rules shall include as certification standards only requirements that improve the quality of services or the health and safety of clients of community mental health services. The standards shall address at a minimum all of the following:

- (a) Reporting major unusual incidents to the director;
- (b) Procedures for applicants for and clients of community mental health services to file grievances and complaints;
- (c) Seclusion;
- (d) Restraint;
- (e) Development of written policies addressing the rights of clients, including all of the following:
 - (i) The right to a copy of the written policies addressing client rights;
 - (ii) The right at all times to be treated with consideration and respect for the client's privacy and dignity;
 - (iii) The right to have access to the client's own psychiatric, medical, or other treatment records unless access is specifically restricted in the client's treatment plan for clear treatment reasons;
 - (iv) The right to have a client rights officer provided by the agency or board of alcohol, drug addiction, and mental health services advise the client of the client's rights, including the client's rights under Chapter 5122. of the Revised Code if the client is committed to the agency or board.

(2) Establish standards for qualifications of mental health professionals as defined in section 340.02 of the Revised Code and personnel who provide the community mental health services;

(3) Establish the process for certification of community mental health services;

(4) Set the amount of certification review fees based on a portion of the cost of performing the review;

(5) Specify the type of notice and hearing to be provided prior to a decision on whether to reallocate funds.

Sec. 5123.01. As used in this chapter:

(A) "Chief medical officer" means the licensed physician appointed by the managing officer of an institution for the mentally retarded with the approval of the director of mental retardation and developmental disabilities to provide medical treatment for residents of the institution.

(B) "Chief program director" means a person with special training and experience in the diagnosis and management of the mentally retarded, certified according to division (C) of this section in at least one of the designated fields, and appointed by the managing officer of an institution for the mentally retarded with the approval of the director to provide habilitation and care for residents of the institution.

(C) "Comprehensive evaluation" means a study, including a sequence of observations and examinations, of a person leading to conclusions and recommendations formulated jointly, with dissenting opinions if any, by a group of persons with special training and experience in the diagnosis and management of persons with mental retardation or a developmental disability, which group shall include individuals who are professionally qualified in the fields of medicine, psychology, and social work, together with such other specialists as the individual case may require.

(D) "Education" means the process of formal training and instruction to facilitate the intellectual and emotional development of residents.

(E) "Habilitation" means the process by which the staff of the institution assists the resident in acquiring and maintaining those life skills that enable the resident to cope more effectively with the demands of the resident's own person and of the resident's environment and in raising the level of the resident's physical, mental, social, and vocational efficiency. Habilitation includes but is not limited to programs of formal, structured education and training.

(F) "Health officer" means any public health physician, public health nurse, or other person authorized or designated by a city or general health district.

(G) "Home and community-based services" means medicaid-funded home and community-based services specified in division (B)(1) of section 5111.87 of the Revised Code provided under the medicaid waiver components the department of mental retardation and developmental disabilities administers pursuant to section 5111.871 of the Revised Code.

(H) "Indigent person" means a person who is unable, without substantial financial hardship, to provide for the payment of an attorney and for other necessary expenses of legal representation, including expert testimony.

(I) "Institution" means a public or private facility, or a part of a public or private facility, that is licensed by the appropriate state department and is

equipped to provide residential habilitation, care, and treatment for the mentally retarded.

(J) "Licensed physician" means a person who holds a valid certificate issued under Chapter 4731. of the Revised Code authorizing the person to practice medicine and surgery or osteopathic medicine and surgery, or a medical officer of the government of the United States while in the performance of the officer's official duties.

(K) "Managing officer" means a person who is appointed by the director of mental retardation and developmental disabilities to be in executive control of an institution for the mentally retarded under the jurisdiction of the department.

(L) "Medicaid" has the same meaning as in section 5111.01 of the Revised Code.

(M) "Medicaid case management services" means case management services provided to an individual with mental retardation or other developmental disability that the state medicaid plan requires.

(N) "Mentally retarded person" means a person having significantly subaverage general intellectual functioning existing concurrently with deficiencies in adaptive behavior, manifested during the developmental period.

(O) "Mentally retarded person subject to institutionalization by court order" means a person eighteen years of age or older who is at least moderately mentally retarded and in relation to whom, because of the person's retardation, either of the following conditions exist:

(1) The person represents a very substantial risk of physical impairment or injury to self as manifested by evidence that the person is unable to provide for and is not providing for the person's most basic physical needs and that provision for those needs is not available in the community;

(2) The person needs and is susceptible to significant habilitation in an institution.

(P) "A person who is at least moderately mentally retarded" means a person who is found, following a comprehensive evaluation, to be impaired in adaptive behavior to a moderate degree and to be functioning at the moderate level of intellectual functioning in accordance with standard measurements as recorded in the most current revision of the manual of terminology and classification in mental retardation published by the American association on mental retardation.

(Q) As used in this division, "substantial functional limitation," "developmental delay," and "established risk" have the meanings established pursuant to section 5123.011 of the Revised Code.

"Developmental disability" means a severe, chronic disability that is characterized by all of the following:

(1) It is attributable to a mental or physical impairment or a combination of mental and physical impairments, other than a mental or physical impairment solely caused by mental illness as defined in division (A) of section 5122.01 of the Revised Code.

(2) It is manifested before age twenty-two.

(3) It is likely to continue indefinitely.

(4) It results in one of the following:

(a) In the case of a person under three years of age, at least one developmental delay or an established risk;

(b) In the case of a person at least three years of age but under six years of age, at least two developmental delays or an established risk;

(c) In the case of a person six years of age or older, a substantial functional limitation in at least three of the following areas of major life activity, as appropriate for the person's age: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and, if the person is at least sixteen years of age, capacity for economic self-sufficiency.

(5) It causes the person to need a combination and sequence of special, interdisciplinary, or other type of care, treatment, or provision of services for an extended period of time that is individually planned and coordinated for the person.

(R) "Developmentally disabled person" means a person with a developmental disability.

(S) "State institution" means an institution that is tax-supported and under the jurisdiction of the department.

(T) "Residence" and "legal residence" have the same meaning as "legal settlement," which is acquired by residing in Ohio for a period of one year without receiving general assistance prior to July 17, 1995, under former Chapter 5113. of the Revised Code, financial assistance under Chapter 5115. of the Revised Code, or assistance from a private agency that maintains records of assistance given. A person having a legal settlement in the state shall be considered as having legal settlement in the assistance area in which the person resides. No adult person coming into this state and having a spouse or minor children residing in another state shall obtain a legal settlement in this state as long as the spouse or minor children are receiving public assistance, care, or support at the expense of the other state or its subdivisions. For the purpose of determining the legal settlement of a person who is living in a public or private institution or in a home subject to

licensing by the department of job and family services, the department of mental health, or the department of mental retardation and developmental disabilities, the residence of the person shall be considered as though the person were residing in the county in which the person was living prior to the person's entrance into the institution or home. Settlement once acquired shall continue until a person has been continuously absent from Ohio for a period of one year or has acquired a legal residence in another state. A woman who marries a man with legal settlement in any county immediately acquires the settlement of her husband. The legal settlement of a minor is that of the parents, surviving parent, sole parent, parent who is designated the residential parent and legal custodian by a court, other adult having permanent custody awarded by a court, or guardian of the person of the minor, provided that:

(1) A minor female who marries shall be considered to have the legal settlement of her husband and, in the case of death of her husband or divorce, she shall not thereby lose her legal settlement obtained by the marriage.

(2) A minor male who marries, establishes a home, and who has resided in this state for one year without receiving general assistance prior to July 17, 1995, under former Chapter 5113. of the Revised Code, financial assistance under Chapter 5115. of the Revised Code, or assistance from a private agency that maintains records of assistance given shall be considered to have obtained a legal settlement in this state.

(3) The legal settlement of a child under eighteen years of age who is in the care or custody of a public or private child caring agency shall not change if the legal settlement of the parent changes until after the child has been in the home of the parent for a period of one year.

No person, adult or minor, may establish a legal settlement in this state for the purpose of gaining admission to any state institution.

(U)(1) "Resident" means, subject to division (R)(2) of this section, a person who is admitted either voluntarily or involuntarily to an institution or other facility pursuant to section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code subsequent to a finding of not guilty by reason of insanity or incompetence to stand trial or under this chapter who is under observation or receiving habilitation and care in an institution.

(2) "Resident" does not include a person admitted to an institution or other facility under section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code to the extent that the reference in this chapter to resident, or the context in which the reference occurs, is in conflict with any provision of sections 2945.37 to 2945.402 of the Revised Code.

(V) "Respondent" means the person whose detention, commitment, or continued commitment is being sought in any proceeding under this chapter.

(W) "Working day" and "court day" mean Monday, Tuesday, Wednesday, Thursday, and Friday, except when such day is a legal holiday.

(X) "Prosecutor" means the prosecuting attorney, village solicitor, city director of law, or similar chief legal officer who prosecuted a criminal case in which a person was found not guilty by reason of insanity, who would have had the authority to prosecute a criminal case against a person if the person had not been found incompetent to stand trial, or who prosecuted a case in which a person was found guilty.

(Y) "Court" means the probate division of the court of common pleas.

(Z) "Supported living" has the same meaning as in section 5126.01 of the Revised Code.

Sec. 5123.012. (A) As used in this section:

(1) "Biological risk" and "environmental risk" have the meanings established pursuant to section 5123.011 of the Revised Code.

(2) ~~Handicapped preschool~~ Preschool child with a disability has the same meaning as in section 3323.01 of the Revised Code.

(B) Except as provided in division (C) of this section, the department of mental retardation and developmental disabilities shall make eligibility determinations in accordance with the definition of "developmental disability" in section 5123.01 of the Revised Code. The department may adopt rules in accordance with Chapter 119. of the Revised Code establishing eligibility for programs and services for either of the following:

(1) Individuals under age six who have a biological risk or environmental risk of a developmental delay;

(2) Any ~~handicapped~~ preschool child with a disability eligible for services under section 3323.02 of the Revised Code whose ~~handicap~~ disability is not attributable solely to mental illness as defined in section 5122.01 of the Revised Code.

(C)(1) The department shall make determinations of eligibility for protective services in accordance with sections 5123.55 to 5123.59 of the Revised Code.

(2) Determinations of whether a mentally retarded person is subject to institutionalization by court order shall be made in accordance with sections 5123.71 to 5123.76 of the Revised Code and shall be based on the definition of "mentally retarded person subject to institutionalization by court order" in section 5123.01 of the Revised Code.

(3) All persons who were eligible for services and enrolled in programs offered by the department of mental retardation and developmental

disabilities pursuant to this chapter on July 1, 1991, shall continue to be eligible for those services and to be enrolled in those programs as long as they are in need of services.

Sec. 5123.033. The program fee fund is hereby created in the state treasury. All fees collected pursuant to sections 5123.161, 5123.164, 5123.19, and 5126.25 of the Revised Code shall be credited to the fund. Money credited to the fund shall be used solely for the department of mental retardation and developmental disabilities' duties under sections 5123.16 to 5123.169, 5123.19, and 5126.25 of the Revised Code and to provide continuing education and professional training to employees of county boards of mental retardation and developmental disabilities for the purpose of section 5126.25 of the Revised Code and other providers of services to individuals with mental retardation or a developmental disability. If the money credited to the fund is inadequate to pay all of the department's costs in performing those duties and providing the continuing education and professional training, the department may use other available funds appropriated to the department to pay the remaining costs of performing those duties and providing the continuing education and professional training.

Sec. 5123.043. (A) The director of mental retardation and developmental disabilities shall adopt rules establishing procedures for administrative resolution of complaints filed under division (B) of this section and section 5126.06 of the Revised Code. The rules shall be adopted in accordance with Chapter 119. of the Revised Code.

(B) Except as provided in division (C) of this section, any person or county board of mental retardation and developmental disabilities that has a complaint involving any of the programs, services, policies, or administrative practices of the department of mental retardation and developmental disabilities or any of the entities under contract with the department, may file a complaint with the department. Prior to commencing a civil action regarding the complaint, a person or county board shall attempt to have the complaint resolved through the administrative resolution process established in the rules adopted under this section. After exhausting the administrative resolution process, the person or county board may commence a civil action if the complaint is not settled to the person's or county board's satisfaction.

(C) An employee of the department may not file under this section a complaint related to the terms and conditions of employment for the employee.

~~(D) This section does not apply to a conflict between a county board of~~

~~mental retardation and developmental disabilities and a person or government entity that provides or seeks to provide services to an individual with mental retardation or other developmental disability. Section 5126.036 of the Revised Code applies to such a conflict.~~

Sec. 5123.045. No person or government entity shall receive payment for providing home and community-based services unless the person or government entity is one of the following:

(A) Certified under section ~~5123.16~~ 5123.161 of the Revised Code;

(B) Licensed as a residential facility under section 5123.19 of the Revised Code.

Sec. 5123.046. The department of mental retardation and developmental disabilities shall review each component of the three-calendar-year plan it receives from a county board of mental retardation and developmental disabilities under section 5126.054 of the Revised Code and, in consultation with the department of job and family services and office of budget and management, approve each component that includes all the information and conditions specified in that section. The ~~fourth~~ third component of the plan shall be approved or disapproved not later than forty-five days after the ~~fourth~~ third component is submitted to the department ~~under division (B)(3) of section 5126.054 of the Revised Code~~. If the department approves all ~~four~~ three components of the plan, the plan is approved. Otherwise, the plan is disapproved. If the plan is disapproved, the department shall take action against the county board under division (B) of section 5126.056 of the Revised Code.

In approving plans under this section, the department shall ensure that the aggregate of all plans provide for the increased enrollment into home and community-based services during each state fiscal year of at least five hundred individuals who did not receive residential services, supported living, or home and community-based services the prior state fiscal year if the department has enough additional enrollment available for this purpose.

The department shall establish protocols that the department shall use to determine whether a county board is complying with the programmatic and financial accountability mechanisms and achieving outcomes specified in its approved plan. If the department determines that a county board is not in compliance with the mechanisms or achieving the outcomes specified in its approved plan, the department may take action under division (F) of section 5126.055 of the Revised Code.

Sec. 5123.047. ~~(A)~~ The department of mental retardation and developmental disabilities shall pay the nonfederal share of medicaid expenditures for medicaid case management services ~~if the services are~~

~~provided to an individual with mental retardation or other developmental disability who a county board of mental retardation and developmental disabilities has determined under section 5126.041 of the Revised Code is not eligible for county board services.~~

~~(B) The department shall pay the nonfederal share of medicaid expenditures for and home and community-based services if any of the following apply:~~

~~(1) The services are provided to an individual with mental retardation or other developmental disability who a county board has determined under section 5126.041 of the Revised Code is not eligible for county board services;~~

~~(2) The services are provided to an individual with mental retardation or other developmental disability given priority for the services pursuant to division (D)(3) of section 5126.042 of the Revised Code. The department shall pay the nonfederal share of medicaid expenditures for home and community-based services provided to such an individual for as long as the individual continues to be eligible for and receive the services, regardless of whether the services are provided after June 30, 2003.~~

~~(3) An agreement entered into under section 5123.048 of the Revised Code requires that the department pay the nonfederal share of medicaid expenditures for the services for which no county board of mental retardation and developmental disabilities is required by section 5126.059 or 5126.0510 of the Revised Code to pay.~~

Sec. 5123.048. The director of mental retardation and developmental disabilities may enter into an agreement with a county board of mental retardation and developmental disabilities under which the department of mental retardation and developmental disabilities is to pay the nonfederal share of medicaid expenditures for one or more of the home and community-based services ~~provided to individuals with mental retardation or other developmental disability residing in the county served by that~~ the county board would, if not for the agreement, be required by section 5126.0510 of the Revised Code to pay. The agreement shall specify which home and community-based services the agreement covers. The department shall pay the nonfederal share of medicaid expenditures for the home and community-based services that the agreement covers as long as the agreement is in effect.

Sec. 5123.049. The director of mental retardation and developmental disabilities shall adopt rules in accordance with Chapter 119. of the Revised Code governing the authorization and payment of home and community-based services and medicaid case management services. The

rules shall provide for private providers of the services to receive one hundred per cent of the medicaid allowable payment amount and for government providers of the services to receive the federal share of the medicaid allowable payment, less the amount withheld as a fee under section 5123.0412 of the Revised Code and any amount that may be required by rules adopted under section 5123.0413 of the Revised Code to be deposited into the state MR/DD risk fund. The rules shall establish the process by which county boards of mental retardation and developmental disabilities shall certify and provide the nonfederal share of medicaid expenditures that the county board is required by ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code to pay. The process shall require a county board to certify that the county board has funding available at one time for two months costs for those expenditures. The process may permit a county board to certify that the county board has funding available at one time for more than two months costs for those expenditures.

Sec. 5123.0411. The department of mental retardation and developmental disabilities may bring a mandamus action against a county board of mental retardation and developmental disabilities that fails to pay the nonfederal share of medicaid expenditures that the county board is required by ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code to pay. The department may bring the mandamus action in the court of common pleas of the county served by the county board or in the Franklin county court of common pleas.

Sec. 5123.0414. (A) When the director of mental retardation and developmental disabilities, under section 119.07 of the Revised Code, sends a party a notice by registered mail, return receipt requested, that the director intends to take action against the party authorized by section 5123.082, 5123.166, 5123.168, 5123.19, 5123.45, 5123.51, or 5126.25 of the Revised Code and the notice is returned to the director with an endorsement indicating that the notice was refused or unclaimed, the director shall resend the notice by ordinary mail to the party.

(B) If the original notice was refused, the notice shall be deemed received as of the date the director resends the notice.

(C) If the original notice was unclaimed, the notice shall be deemed received as of the date the director resends the notice unless, not later than thirty days after the date the director sent the original notice, the resent notice is returned to the director for failure of delivery.

If the notice concerns taking action under section 5123.51 of the Revised Code and the resent notice is returned to the director for failure of

delivery not later than thirty days after the date the director sent the original notice, the director shall cause the notice to be published in a newspaper of general circulation in the county of the party's last known residence or business and shall mail a dated copy of the published notice to the party at the last known address. The notice shall be deemed received as of the date of the publication.

If the notice concerns taking action under section 5123.082, 5123.166, 5123.168, 5123.19, 5123.45, or 5126.25 of the Revised Code and the resent notice is returned to the director for failure of delivery not later than thirty days after the date the director sent the original notice, the director shall resend the notice to the party a second time. The notice shall be deemed received as of the date the director resends the notice the second time.

Sec. 5123.0415. As used in this section, "license" means a license, certificate, or evidence of registration.

Each person and government entity that applies for or holds a valid license issued under section 5123.082, 5123.161, 5123.19, 5123.45, 5126.25, or 5126.252 of the Revised Code shall notify the director of mental retardation and developmental disabilities of any change in the person or government entity's address.

Sec. 5123.0416. (A) Subject to the availability of funds appropriated to the department of mental retardation and developmental disabilities for medicaid waiver state match, the department shall expend, in fiscal year 2009 and each fiscal year thereafter, not less than the amount appropriated in appropriation item 322-416, medicaid waiver – state match, in fiscal year 2008 to do both of the following:

(1) Pay the nonfederal share of medicaid expenditures for home and community-based services that section 5123.047 of the Revised Code requires the department to pay;

(2) Assist county boards of mental retardation and developmental disabilities in paying the nonfederal share of medicaid expenditures for home and community-based services that section 5126.0510 of the Revised Code requires county boards to pay.

(B) The department shall make the expenditures required by division (A)(2) of this section in the form of allocations to county boards or by other means. If the department makes the expenditures in the form of allocations, the process for making the allocations shall conform to a process the department shall establish after consulting with representatives of county boards.

Sec. 5123.051. (A) If the department of mental retardation and developmental disabilities determines pursuant to an audit conducted under

section 5123.05 of the Revised Code or a reconciliation conducted under section 5123.18 ~~or 5123.199~~ of the Revised Code that money is owed the state by a provider of a service or program, the department may enter into a payment agreement with the provider. The agreement shall include the following:

(1) A schedule of installment payments whereby the money owed the state is to be paid in full within a period not to exceed one year;

(2) A provision that the provider may pay the entire balance owed at any time during the term of the agreement;

(3) A provision that if any installment is not paid in full within forty-five days after it is due, the entire balance owed is immediately due and payable;

(4) Any other terms and conditions that are agreed to by the department and the provider.

(B) The department may include a provision in a payment agreement that requires the provider to pay interest on the money owed the state. The department, in its discretion, shall determine whether to require the payment of interest and, if it so requires, the rate of interest. Neither the obligation to pay interest nor the rate of interest is subject to negotiation between the department and the provider.

(C) If the provider fails to pay any installment in full within forty-five days after its due date, the department shall certify the entire balance owed to the attorney general for collection under section 131.02 of the Revised Code. The department may withhold funds from payments made to a provider under section 5123.18 ~~or 5123.199~~ of the Revised Code to satisfy a judgment secured by the attorney general.

(D) The purchase of service fund is hereby created. Money credited to the fund shall be used solely for purposes of section 5123.05 of the Revised Code.

Sec. 5123.16. (A) As used in sections 5123.16 to 5123.169 of the Revised Code:

(1) "Provider" means a person or government entity certified by the director of mental retardation and developmental disabilities to provide supported living.

(2) "Related party" means any of the following:

(a) In the case of a provider who is an individual, any of the following:

(i) The spouse of the provider;

(ii) A parent or stepparent of the provider or provider's spouse;

(iii) A child of the provider or provider's spouse;

(iv) A sibling, half sibling, or stepsibling of the provider or provider's

spouse:

(v) A grandparent of the provider or provider's spouse;

(vi) A grandchild of the provider or provider's spouse;

(vii) An employee or employer of the provider or provider's spouse.

(b) In the case of a provider that is a person other than an individual, any of the following:

(i) An employee of the person;

(ii) An officer of the provider, including the chief executive officer, president, vice-president, secretary, and treasurer;

(iii) A member of the provider's board of directors or trustees;

(iv) A person owning a financial interest of five per cent or more in the provider;

(v) A corporation that has a subsidiary relationship with the provider;

(vi) A person or government entity that has control over the provider's day-to-day operation;

(vii) A person over which the provider has control of the day-to-day operation.

(c) In the case of a provider that is a government entity, any of the following:

(i) An employee of the provider;

(ii) An officer of the provider;

(iii) A member of the provider's governing board;

(iv) A government entity that has control over the provider's day-to-day operation;

(v) A person or government entity over which the provider has control of the day-to-day operation.

(B) No person or government entity may provide supported living without a valid supported living certificate issued by the director of mental retardation and developmental disabilities.

(C) A county board of mental retardation and developmental disabilities may provide supported living only to the extent permitted by rules adopted under section 5123.169 of the Revised Code.

Sec. 5123.161. A person or government entity that seeks to provide supported living shall apply to the director of mental retardation and developmental disabilities for a supported living certificate.

Except as provided in section 5123.166 of the Revised Code, the director shall issue the applicant a supported living certificate if the applicant follows the application process established in rules adopted under section 5123.169 of the Revised Code, meets the applicable certification standards established in those rules, and pays the certification fee

established in those rules.

Sec. 5123.162. The director of mental retardation and developmental disabilities may conduct surveys of persons and government entities that seek a supported living certificate to determine whether the persons and government entities meet the certification standards. The director may also conduct surveys of providers to determine whether the providers continue to meet the certification standards. The director shall conduct the surveys in accordance with rules adopted under section 5123.169 of the Revised Code.

The records of surveys conducted under this section are public records for the purpose of section 149.43 of the Revised Code and shall be made available on the request of any person or government entity.

Sec. 5123.163. A supported living certificate is valid for a period of time established in rules adopted under section 5123.169 of the Revised Code, unless any of the following occur before the end of that period of time:

(A) The director of mental retardation and developmental disabilities issues an order requiring that action be taken against the certificate holder under section 5123.166 of the Revised Code.

(B) The director issues an order terminating the certificate under section 5123.168 of the Revised Code.

(C) The certificate holder voluntarily surrenders the certificate to the director.

Sec. 5123.164. Except as provided in section 5123.166 of the Revised Code, the director of mental retardation and developmental disabilities shall renew a supported living certificate if the certificate holder follows the renewal process established in rules adopted under section 5123.169 of the Revised Code, continues to meet the applicable certification standards established in those rules, and pays the renewal fee established in those rules.

Sec. 5123.165. (A) Except as provided in division (B) of this section, no person or government entity may provide supported living to an individual with mental retardation or a developmental disability if the person or government entity also provides the individual a residence.

(B) A person may provide supported living to an individual with mental retardation or a developmental disability even though the person also provides the individual a residence if either of the following apply:

(1) The person also resides in the residence with the individual and does not provide at any one time supported living to more than a total of three individuals with mental retardation or a developmental disability who reside in that residence;

(2) The person is an association of family members related to two or more of the individuals with mental retardation or a developmental disability who reside in the residence and does not provide at any one time supported living to more than a total of four individuals with mental retardation or a developmental disability who reside in that residence.

Sec. 5123.166. (A) If good cause exists as specified in division (B) of this section and determined in accordance with procedures established in rules adopted under section 5123.169 of the Revised Code, the director of mental retardation and developmental disabilities may issue an adjudication order requiring that one of the following actions be taken against a person or government entity seeking or holding a supported living certificate:

(1) Refusal to issue or renew a supported living certificate;

(2) Revocation of a supported living certificate;

(3) Suspension of a supported living certificate holder's authority to do either or both of the following:

(a) Continue to provide supported living to one or more individuals from one or more counties who receive supported living from the certificate holder at the time the director takes the action;

(b) Begin to provide supported living to one or more individuals from one or more counties who do not receive supported living from the certificate holder at the time the director takes the action.

(B) The following constitute good cause for taking action under division (A) of this section against a person or government entity seeking or holding a supported living certificate:

(1) The person or government entity's failure to meet or continue to meet the applicable certification standards established in rules adopted under section 5123.169 of the Revised Code;

(2) The person or government entity violates section 5123.165 of the Revised Code;

(3) The person or government entity's failure to satisfy the requirements of section 5123.52, 5126.28, or 5126.281 of the Revised Code;

(4) Misfeasance;

(5) Malfeasance;

(6) Nonfeasance;

(7) Confirmed abuse or neglect;

(8) Financial irresponsibility;

(9) Other conduct the director determines is or would be injurious to individuals who receive or would receive supported living from the person or government entity.

(C) Except as provided in division (D) of this section, the director shall

issue an adjudication order under division (A) of this section in accordance with Chapter 119. of the Revised Code.

(D)(1) The director may issue an order requiring that action specified in division (A)(3) of this section be taken before a provider is provided notice and an opportunity for a hearing if all of the following are the case:

(a) The director determines such action is warranted by the provider's failure to continue to meet the applicable certification standards;

(b) The director determines that the failure either represents a pattern of serious noncompliance or creates a substantial risk to the health or safety of an individual who receives or would receive supported living from the provider;

(c) If the order will suspend the provider's authority to continue to provide supported living to an individual who receives supported living from the provider at the time the director issues the order, both of the following are the case:

(i) The director makes the individual, or the individual's guardian, aware of the director's determination under division (D)(1)(b) of this section and the individual or guardian does not select another provider.

(ii) A county board of mental retardation and developmental disabilities has filed a complaint with a probate court under section 5123.33 of the Revised Code that includes facts describing the nature of abuse or neglect that the individual has suffered due to the provider's actions that are the basis for the director making the determination under division (D)(1)(b) of this section and the probate court does not issue an order authorizing the county board to arrange services for the individual pursuant to an individualized service plan developed for the individual under section 5123.31 of the Revised Code.

(2) If the director issues an order under division (D)(1) of this section, sections 119.091 to 119.13 of the Revised Code and all of the following apply:

(a) The director shall send the provider notice of the order by registered mail, return receipt requested, not later than twenty-four hours after issuing the order and shall include in the notice the reasons for the order, the citation to the law or rule directly involved, and a statement that the provider will be afforded a hearing if the provider requests it within ten days of the time of receiving the notice.

(b) If the provider requests a hearing within the required time and the provider has provided the director the provider's current address, the director shall immediately set, and notify the provider of, the date, time, and place for the hearing.

(c) The date of the hearing shall be not later than thirty days after the director receives the provider's timely request for the hearing.

(d) The hearing shall be conducted in accordance with section 119.09 of the Revised Code, except for all of the following:

(i) The hearing shall continue uninterrupted until its close, except for weekends, legal holidays, and other interruptions the provider and director agree to.

(ii) If the director appoints a referee or examiner to conduct the hearing, the referee or examiner, not later than ten days after the date the referee or examiner receives a transcript of the testimony and evidence presented at the hearing or, if the referee or examiner does not receive the transcript or no such transcript is made, the date that the referee or examiner closes the record of the hearing, shall submit to the director a written report setting forth the referee or examiner's findings of fact and conclusions of law and a recommendation of the action the director should take.

(iii) The provider may, not later than five days after the date the director, in accordance with section 119.09 of the Revised Code, sends the provider or the provider's attorney or other representative of record a copy of the referee or examiner's report and recommendation, file with the director written objections to the report and recommendation.

(iv) The director shall approve, modify, or disapprove the referee or examiner's report and recommendation not earlier than six days, and not later than fifteen days, after the date the director, in accordance with section 119.09 of the Revised Code, sends a copy of the report and recommendation to the provider or the provider's attorney or other representative of record.

(3) The director may lift an order issued under division (D)(1) of this section even though a hearing regarding the order is occurring or pending if the director determines that the provider has taken action eliminating the good cause for issuing the order. The hearing shall proceed unless the provider withdraws the request for the hearing in a written letter to the director.

(4) The director shall lift an order issued under division (D)(1) of this section if both of the following are the case:

(a) The provider provides the director a plan of compliance the director determines is acceptable.

(b) The director determines that the provider has implemented the plan of compliance correctly.

Sec. 5123.167. If the director of mental retardation and developmental disabilities issues an adjudication order under section 5123.166 of the Revised Code refusing to issue a supported living certificate to a person or

government entity or to renew a person or government entity's supported living certificate, neither the person or government entity nor a related party of the person or government entity may apply for another supported living certificate earlier than the date that is one year after the date the order is issued. If the director issues an adjudication order under that section revoking a person or government entity's supported living certificate, neither the person or government entity nor a related party of the person or government entity may apply for another supported living certificate earlier than the date that is five years after the date the order is issued.

Sec. 5123.168. The director of mental retardation and developmental disabilities may issue an adjudication order in accordance with Chapter 119. of the Revised Code to terminate a supported living certificate if the certificate holder has not billed for supported living for twelve consecutive months.

Sec. 5123.169. The director of mental retardation and developmental disabilities shall adopt rules under Chapter 119. of the Revised Code establishing all of the following:

(A) The extent to which a county board of mental retardation and developmental disabilities may provide supported living;

(B) The application process for obtaining a supported living certificate under section 5123.161 of the Revised Code;

(C) The certification standards a person or government entity must meet to obtain a supported living certificate to provide supported living;

(D) The certification fee for a supported living certificate, which shall be deposited into the program fee fund created under section 5123.033 of the Revised Code;

(E) The period of time a supported living certificate is valid;

(F) The process for renewing a supported living certificate under section 5123.164 of the Revised Code;

(G) The renewal fee for a supported living certificate, which shall be deposited into the program fee fund created under section 5123.033 of the Revised Code;

(H) Procedures for conducting surveys under section 5123.162 of the Revised Code;

(I) Procedures for determining whether there is good cause to take action under section 5123.166 of the Revised Code against a person or government entity seeking or holding a supported living certificate.

Sec. 5123.19. (A) As used in this section and in sections 5123.191, 5123.194, 5123.196, 5123.198, and 5123.20 of the Revised Code:

(1)(a) "Residential facility" means a home or facility in which a

mentally retarded or developmentally disabled person resides, except the home of a relative or legal guardian in which a mentally retarded or developmentally disabled person resides, a respite care home certified under section 5126.05 of the Revised Code, a county home or district home operated pursuant to Chapter 5155. of the Revised Code, or a dwelling in which the only mentally retarded or developmentally disabled residents are in an independent living arrangement or are being provided supported living.

(b) "Intermediate care facility for the mentally retarded" means a residential facility that is considered an intermediate care facility for the mentally retarded for the purposes of Chapter 5111. of the Revised Code.

(2) "Political subdivision" means a municipal corporation, county, or township.

(3) "Independent living arrangement" means an arrangement in which a mentally retarded or developmentally disabled person resides in an individualized setting chosen by the person or the person's guardian, which is not dedicated principally to the provision of residential services for mentally retarded or developmentally disabled persons, and for which no financial support is received for rendering such service from any governmental agency by a provider of residential services.

~~(4) "Supported living" has the same meaning as in section 5126.01 of the Revised Code.~~

~~(5) "Licensee" means the person or government agency that has applied for a license to operate a residential facility and to which the license was issued under this section.~~

(5) "Related party" has the same meaning as in section 5123.16 of the Revised Code except that "provider" as used in the definition of "related party" means a person or government entity that held or applied for a license to operate a residential facility, rather than a person or government entity certified to provide supported living.

(B) Every person or government agency desiring to operate a residential facility shall apply for licensure of the facility to the director of mental retardation and developmental disabilities unless the residential facility is subject to section 3721.02, 3722.04, 5103.03, or 5119.20 of the Revised Code. Notwithstanding Chapter 3721. of the Revised Code, a nursing home that is certified as an intermediate care facility for the mentally retarded under Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 1396, as amended, shall apply for licensure of the portion of the home that is certified as an intermediate care facility for the mentally retarded.

(C) Subject to section 5123.196 of the Revised Code, the director of mental retardation and developmental disabilities shall license the operation of residential facilities. An initial license shall be issued for a period that does not exceed one year, unless the director denies the license under division (D) of this section. A license shall be renewed for a period that does not exceed three years, unless the director refuses to renew the license under division (D) of this section. The director, when issuing or renewing a license, shall specify the period for which the license is being issued or renewed. A license remains valid for the length of the licensing period specified by the director, unless the license is terminated, revoked, or voluntarily surrendered.

(D) If it is determined that an applicant or licensee is not in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, the director may deny issuance of a license, refuse to renew a license, terminate a license, revoke a license, issue an order for the suspension of admissions to a facility, issue an order for the placement of a monitor at a facility, issue an order for the immediate removal of residents, or take any other action the director considers necessary consistent with the director's authority under this chapter regarding residential facilities. In the director's selection and administration of the sanction to be imposed, all of the following apply:

(1) The director may deny, refuse to renew, or revoke a license, if the director determines that the applicant or licensee has demonstrated a pattern of serious noncompliance or that a violation creates a substantial risk to the health and safety of residents of a residential facility.

(2) The director may terminate a license if more than twelve consecutive months have elapsed since the residential facility was last occupied by a resident or a notice required by division ~~(J)~~(K) of this section is not given.

(3) The director may issue an order for the suspension of admissions to a facility for any violation that may result in sanctions under division (D)(1) of this section and for any other violation specified in rules adopted under division ~~(G)~~(H)(2) of this section. If the suspension of admissions is imposed for a violation that may result in sanctions under division (D)(1) of this section, the director may impose the suspension before providing an opportunity for an adjudication under Chapter 119. of the Revised Code. The director shall lift an order for the suspension of admissions when the director determines that the violation that formed the basis for the order has been corrected.

(4) The director may order the placement of a monitor at a residential facility for any violation specified in rules adopted under division ~~(G)~~(H)(2)

of this section. The director shall lift the order when the director determines that the violation that formed the basis for the order has been corrected.

(5) If the director determines that two or more residential facilities owned or operated by the same person or government entity are not being operated in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, and the director's findings are based on the same or a substantially similar action, practice, circumstance, or incident that creates a substantial risk to the health and safety of the residents, the director shall conduct a survey as soon as practicable at each residential facility owned or operated by that person or government entity. The director may take any action authorized by this section with respect to any facility found to be operating in violation of a provision of this chapter that applies to residential facilities or the rules adopted under such a provision.

(6) When the director initiates license revocation proceedings, no opportunity for submitting a plan of correction shall be given. The director shall notify the licensee by letter of the initiation of the proceedings. The letter shall list the deficiencies of the residential facility and inform the licensee that no plan of correction will be accepted. The director shall also ~~notify each affected resident, the resident's guardian if the resident is an adult for whom a guardian has been appointed, the resident's parent or guardian if the resident is a minor, and the county board of mental retardation and developmental disabilities~~ send a copy of the letter to the county board of mental retardation and developmental disabilities. The county board shall send a copy of the letter to each of the following:

(a) Each resident who receives services from the licensee;

(b) The guardian of each resident who receives services from the licensee if the resident has a guardian;

(c) The parent or guardian of each resident who receives services from the licensee if the resident is a minor.

(7) Pursuant to rules which shall be adopted in accordance with Chapter 119. of the Revised Code, the director may order the immediate removal of residents from a residential facility whenever conditions at the facility present an immediate danger of physical or psychological harm to the residents.

(8) In determining whether a residential facility is being operated in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, or whether conditions at a residential facility present an immediate danger of physical or psychological harm to the residents, the director may rely on information

obtained by a county board of mental retardation and developmental disabilities or other governmental agencies.

(9) In proceedings initiated to deny, refuse to renew, or revoke licenses, the director may deny, refuse to renew, or revoke a license regardless of whether some or all of the deficiencies that prompted the proceedings have been corrected at the time of the hearing.

(E) The director shall establish a program under which public notification may be made when the director has initiated license revocation proceedings or has issued an order for the suspension of admissions, placement of a monitor, or removal of residents. The director shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this division. The rules shall establish the procedures by which the public notification will be made and specify the circumstances for which the notification must be made. The rules shall require that public notification be made if the director has taken action against the facility in the eighteen-month period immediately preceding the director's latest action against the facility and the latest action is being taken for the same or a substantially similar violation of a provision of this chapter that applies to residential facilities or the rules adopted under such a provision. The rules shall specify a method for removing or amending the public notification if the director's action is found to have been unjustified or the violation at the residential facility has been corrected.

(F)(1) Except as provided in division (F)(2) of this section, appeals from proceedings initiated to impose a sanction under division (D) of this section shall be conducted in accordance with Chapter 119. of the Revised Code.

(2) Appeals from proceedings initiated to order the suspension of admissions to a facility shall be conducted in accordance with Chapter 119. of the Revised Code, unless the order was issued before providing an opportunity for an adjudication, in which case all of the following apply:

(a) The licensee may request a hearing not later than ten days after receiving the notice specified in section 119.07 of the Revised Code.

(b) If a timely request for a hearing that includes the licensee's current address is made, the hearing shall commence not later than thirty days after the department receives the request.

(c) After commencing, the hearing shall continue uninterrupted, except for Saturdays, Sundays, and legal holidays, unless other interruptions are agreed to by the licensee and the director.

(d) If the hearing is conducted by a hearing examiner, the hearing examiner shall file a report and recommendations not later than ten days after the last of the following:

(i) The close of the hearing;

(ii) If a transcript of the proceedings is ordered, the hearing examiner receives the transcript;

(iii) If post-hearing briefs are timely filed, the hearing examiner receives the briefs.

(e) A copy of the written report and recommendation of the hearing examiner shall be sent, by certified mail, to the licensee and the licensee's attorney, if applicable, not later than five days after the report is filed.

(f) Not later than five days after the hearing examiner files the report and recommendations, the licensee may file objections to the report and recommendations.

~~(f)~~(g) Not later than fifteen days after the hearing examiner files the report and recommendations, the director shall issue an order approving, modifying, or disapproving the report and recommendations.

~~(g)~~(h) Notwithstanding the pendency of the hearing, the director shall lift the order for the suspension of admissions when the director determines that the violation that formed the basis for the order has been corrected.

(G) Neither a person or government agency whose application for a license to operate a residential facility is denied nor a related party of the person or government agency may apply for a license to operate a residential facility before the date that is one year after the date of the denial. Neither a licensee whose residential facility license is revoked nor a related party of the licensee may apply for a residential facility license before the date that is five years after the date of the revocation.

(H) In accordance with Chapter 119. of the Revised Code, the director shall adopt and may amend and rescind rules for licensing and regulating the operation of residential facilities, including intermediate care facilities for the mentally retarded. The rules for intermediate care facilities for the mentally retarded may differ from those for other residential facilities. The rules shall establish and specify the following:

(1) Procedures and criteria for issuing and renewing licenses, including procedures and criteria for determining the length of the licensing period that the director must specify for each license when it is issued or renewed;

(2) Procedures and criteria for denying, refusing to renew, terminating, and revoking licenses and for ordering the suspension of admissions to a facility, placement of a monitor at a facility, and the immediate removal of residents from a facility;

(3) Fees for issuing and renewing licenses, which shall be deposited into the program fee fund created under section 5123.033 of the Revised Code;

(4) Procedures for surveying residential facilities;

- (5) Requirements for the training of residential facility personnel;
- (6) Classifications for the various types of residential facilities;
- (7) Certification procedures for licensees and management contractors that the director determines are necessary to ensure that they have the skills and qualifications to properly operate or manage residential facilities;
- (8) The maximum number of persons who may be served in a particular type of residential facility;
- (9) Uniform procedures for admission of persons to and transfers and discharges of persons from residential facilities;
- (10) Other standards for the operation of residential facilities and the services provided at residential facilities;
- (11) Procedures for waiving any provision of any rule adopted under this section.

~~(H)~~(I) Before issuing a license, the director of the department or the director's designee shall conduct a survey of the residential facility for which application is made. The director or the director's designee shall conduct a survey of each licensed residential facility at least once during the period the license is valid and may conduct additional inspections as needed. A survey includes but is not limited to an on-site examination and evaluation of the residential facility, its personnel, and the services provided there.

In conducting surveys, the director or the director's designee shall be given access to the residential facility; all records, accounts, and any other documents related to the operation of the facility; the licensee; the residents of the facility; and all persons acting on behalf of, under the control of, or in connection with the licensee. The licensee and all persons on behalf of, under the control of, or in connection with the licensee shall cooperate with the director or the director's designee in conducting the survey.

Following each survey, unless the director initiates a license revocation proceeding, the director or the director's designee shall provide the licensee with a report listing any deficiencies, specifying a timetable within which the licensee shall submit a plan of correction describing how the deficiencies will be corrected, and, when appropriate, specifying a timetable within which the licensee must correct the deficiencies. After a plan of correction is submitted, the director or the director's designee shall approve or disapprove the plan. A copy of the report and any approved plan of correction shall be provided to any person who requests it.

The director shall initiate disciplinary action against any department employee who notifies or causes the notification to any unauthorized person of an unannounced survey of a residential facility by an authorized

representative of the department.

~~(I)~~(J) In addition to any other information which may be required of applicants for a license pursuant to this section, the director shall require each applicant to provide a copy of an approved plan for a proposed residential facility pursuant to section 5123.042 of the Revised Code. This division does not apply to renewal of a license.

~~(J)~~(K) A licensee shall notify the owner of the building in which the licensee's residential facility is located of any significant change in the identity of the licensee or management contractor before the effective date of the change if the licensee is not the owner of the building.

Pursuant to rules which shall be adopted in accordance with Chapter 119. of the Revised Code, the director may require notification to the department of any significant change in the ownership of a residential facility or in the identity of the licensee or management contractor. If the director determines that a significant change of ownership is proposed, the director shall consider the proposed change to be an application for development by a new operator pursuant to section 5123.042 of the Revised Code and shall advise the applicant within sixty days of the notification that the current license shall continue in effect or a new license will be required pursuant to this section. If the director requires a new license, the director shall permit the facility to continue to operate under the current license until the new license is issued, unless the current license is revoked, refused to be renewed, or terminated in accordance with Chapter 119. of the Revised Code.

~~(K)~~(L) A county board of mental retardation and developmental disabilities, the legal rights service, and any interested person may file complaints alleging violations of statute or department rule relating to residential facilities with the department. All complaints shall be in writing and shall state the facts constituting the basis of the allegation. The department shall not reveal the source of any complaint unless the complainant agrees in writing to waive the right to confidentiality or until so ordered by a court of competent jurisdiction.

The department shall adopt rules in accordance with Chapter 119. of the Revised Code establishing procedures for the receipt, referral, investigation, and disposition of complaints filed with the department under this division.

~~(L)~~(M) The department shall establish procedures for the notification of interested parties of the transfer or interim care of residents from residential facilities that are closing or are losing their license.

~~(M)~~(N) Before issuing a license under this section to a residential facility that will accommodate at any time more than one mentally retarded

or developmentally disabled individual, the director shall, by first class mail, notify the following:

(1) If the facility will be located in a municipal corporation, the clerk of the legislative authority of the municipal corporation;

(2) If the facility will be located in unincorporated territory, the clerk of the appropriate board of county commissioners and the fiscal officer of the appropriate board of township trustees.

The director shall not issue the license for ten days after mailing the notice, excluding Saturdays, Sundays, and legal holidays, in order to give the notified local officials time in which to comment on the proposed issuance.

Any legislative authority of a municipal corporation, board of county commissioners, or board of township trustees that receives notice under this division of the proposed issuance of a license for a residential facility may comment on it in writing to the director within ten days after the director mailed the notice, excluding Saturdays, Sundays, and legal holidays. If the director receives written comments from any notified officials within the specified time, the director shall make written findings concerning the comments and the director's decision on the issuance of the license. If the director does not receive written comments from any notified local officials within the specified time, the director shall continue the process for issuance of the license.

~~(N)~~(O) Any person may operate a licensed residential facility that provides room and board, personal care, habilitation services, and supervision in a family setting for at least six but not more than eight persons with mental retardation or a developmental disability as a permitted use in any residential district or zone, including any single-family residential district or zone, of any political subdivision. These residential facilities may be required to comply with area, height, yard, and architectural compatibility requirements that are uniformly imposed upon all single-family residences within the district or zone.

~~(O)~~(P) Any person may operate a licensed residential facility that provides room and board, personal care, habilitation services, and supervision in a family setting for at least nine but not more than sixteen persons with mental retardation or a developmental disability as a permitted use in any multiple-family residential district or zone of any political subdivision, except that a political subdivision that has enacted a zoning ordinance or resolution establishing planned unit development districts may exclude these residential facilities from those districts, and a political subdivision that has enacted a zoning ordinance or resolution may regulate

these residential facilities in multiple-family residential districts or zones as a conditionally permitted use or special exception, in either case, under reasonable and specific standards and conditions set out in the zoning ordinance or resolution to:

(1) Require the architectural design and site layout of the residential facility and the location, nature, and height of any walls, screens, and fences to be compatible with adjoining land uses and the residential character of the neighborhood;

(2) Require compliance with yard, parking, and sign regulation;

(3) Limit excessive concentration of these residential facilities.

~~(P)~~(Q) This section does not prohibit a political subdivision from applying to residential facilities nondiscriminatory regulations requiring compliance with health, fire, and safety regulations and building standards and regulations.

~~(Q)~~(R) Divisions ~~(N)~~(O) and ~~(O)~~(P) of this section are not applicable to municipal corporations that had in effect on June 15, 1977, an ordinance specifically permitting in residential zones licensed residential facilities by means of permitted uses, conditional uses, or special exception, so long as such ordinance remains in effect without any substantive modification.

~~(R)~~(S)(1) The director may issue an interim license to operate a residential facility to an applicant for a license under this section if either of the following is the case:

(a) The director determines that an emergency exists requiring immediate placement of persons in a residential facility, that insufficient licensed beds are available, and that the residential facility is likely to receive a permanent license under this section within thirty days after issuance of the interim license.

(b) The director determines that the issuance of an interim license is necessary to meet a temporary need for a residential facility.

(2) To be eligible to receive an interim license, an applicant must meet the same criteria that must be met to receive a permanent license under this section, except for any differing procedures and time frames that may apply to issuance of a permanent license.

(3) An interim license shall be valid for thirty days and may be renewed by the director for a period not to exceed one hundred fifty days.

(4) The director shall adopt rules in accordance with Chapter 119. of the Revised Code as the director considers necessary to administer the issuance of interim licenses.

~~(S)~~(T) Notwithstanding rules adopted pursuant to this section establishing the maximum number of persons who may be served in a

particular type of residential facility, a residential facility shall be permitted to serve the same number of persons being served by the facility on the effective date of the rules or the number of persons for which the facility is authorized pursuant to a current application for a certificate of need with a letter of support from the department of mental retardation and developmental disabilities and which is in the review process prior to April 4, 1986.

~~(F)~~(U) The director or the director's designee may enter at any time, for purposes of investigation, any home, facility, or other structure that has been reported to the director or that the director has reasonable cause to believe is being operated as a residential facility without a license issued under this section.

The director may petition the court of common pleas of the county in which an unlicensed residential facility is located for an order enjoining the person or governmental agency operating the facility from continuing to operate without a license. The court may grant the injunction on a showing that the person or governmental agency named in the petition is operating a residential facility without a license. The court may grant the injunction, regardless of whether the residential facility meets the requirements for receiving a license under this section.

Sec. 5123.196. (A) Except as provided in 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) 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)~~(S) of section 5123.19 of the Revised Code and issue, pursuant to rules adopted under division ~~(G)~~(H)(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. 5123.198. (A) As used in this section, "date of the commitment" means the date that an individual specified in division (B) of this section begins to reside in a state-operated intermediate care facility for the mentally retarded after being committed to the facility pursuant to sections 5123.71 to 5123.76 of the Revised Code.

(B) Except as provided in division (C) of this section, whenever a resident of a residential facility is committed to a state-operated intermediate care facility for the mentally retarded pursuant to sections 5123.71 to 5123.76 of the Revised Code, the department of mental retardation and developmental disabilities, pursuant to an adjudication order issued in accordance with Chapter 119. of the Revised Code, shall reduce by one the number of residents for which the facility in which the resident resided is licensed.

(C) The department shall not reduce under division (B) of this section the number of residents for which a residential facility is licensed if any of the following are the case:

(1) The resident of the residential facility who is committed to a

state-operated intermediate care facility for the mentally retarded resided in the residential facility because of the closure, on or after ~~the effective date of this section~~ June 26, 2003, of another state-operated intermediate care facility for the mentally retarded;

(2) The residential facility admits within ninety days of the date of the commitment an individual who resides on the date of the commitment in a state-operated intermediate care facility for the mentally retarded or another residential facility;

(3) The department fails to do either of the following within ninety days of the date of the commitment:

(a) Identify an individual to whom all of the following applies:

(i) Resides on the date of the commitment in a state-operated intermediate care facility for the mentally retarded or another residential facility;

(ii) Has indicated to the department an interest in relocating to the residential facility or has a parent or guardian who has indicated to the department an interest for the individual to relocate to the residential facility;

(iii) The department determines the individual has needs that the residential facility can meet.

(b) Provide the residential facility with information about the individual identified under division (C)(2)(a) of this section that the residential facility needs in order to determine whether the facility can meet the individual's needs.

(4) If the department completes the actions specified in divisions (C)(3)(a) and (b) of this section not later than ninety days after the date of the commitment and except as provided in division (D) of this section, the residential facility does all of the following not later than ninety days after the date of the commitment:

(a) Evaluates the information provided by the department;

(b) Assesses the identified individual's needs;

(c) Determines that the residential facility cannot meet the identified individual's needs.

(5) If the department completes the actions specified in divisions (C)(3)(a) and (b) of this section not later than ninety days after the date of the commitment and the residential facility determines that the residential facility can meet the identified individual's needs, the individual, or a parent or guardian of the individual, refuses placement in the residential facility.

(D) The department may reduce under division (B) of this section the number of residents for which a residential facility is licensed even though

the residential facility completes the actions specified in division (C)(4) of this section not later than ninety days after the date of the commitment if all of the following are the case:

(1) The department disagrees with the residential facility's determination that the residential facility cannot meet the identified individual's needs.

(2) The department issues a written decision pursuant to the uniform procedures for admissions, transfers, and discharges established by rules adopted under division ~~(G)~~(H)(9) of section 5123.19 of the Revised Code that the residential facility should admit the identified individual.

(3) After the department issues the written decision specified in division (D)(2) of this section, the residential facility refuses to admit the identified individual.

(E) A residential facility that admits, refuses to admit, transfers, or discharges a resident under this section shall comply with the uniform procedures for admissions, transfers, and discharges established by rules adopted under division ~~(G)~~(H)(9) of section 5123.19 of the Revised Code.

(F) The department of mental retardation and developmental disabilities may notify the department of job and family services of any reduction under this section in the number of residents for which a residential facility that is an intermediate care facility for the mentally retarded is licensed. On receiving the notice, the department of job and family services may transfer to the department of mental retardation and developmental disabilities the savings in the nonfederal share of medicaid expenditures for each fiscal year after the year of the commitment to be used for costs of the resident's care in the state-operated intermediate care facility for the mentally retarded. In determining the amount saved, the department of job and family services shall consider medicaid payments for the remaining residents of the facility in which the resident resided.

Sec. 5123.20. ~~As used in this section, "supported living" has the same meaning as in section 5126.01 of the Revised Code.~~

No person or government agency shall operate a residential facility or receive a mentally retarded or developmentally disabled person as a resident of a residential facility unless the facility is licensed under section 5123.19 of the Revised Code, and no person or governmental agency shall operate a respite care home or receive a mentally retarded or developmentally disabled person in a respite care home unless the home is certified under section 5126.05 of the Revised Code.

~~No person or government agency shall provide supported living unless that person or government agency is certified under section 5126.431 of the Revised Code.~~

Sec. 5123.211. (A) As used in this section, "residential services" ~~and "supported living"~~ has the same ~~meanings~~ meaning as in section 5126.01 of the Revised Code.

(B) The department of mental retardation and developmental disabilities shall provide or arrange provision of residential services for each person who, on or after July 1, 1989, ceases to be a resident of a state institution because of closure of the institution or a reduction in the institution's population by forty per cent or more within a period of one year. The services shall be provided in the county in which the person chooses to reside and shall consist of one of the following as determined appropriate by the department in consultation with the county board of mental retardation and developmental disabilities of the county in which the services are to be provided:

(1) Residential services provided pursuant to section 5123.18 of the Revised Code;

~~(2) Supported living provided pursuant to section 5123.182 of the Revised Code;~~

~~(3)~~ Residential services for which reimbursement is made under the medical assistance program established under section 5111.01 of the Revised Code;

~~(4)~~⁽³⁾ Residential services provided in a manner or setting approved by the director of mental retardation and developmental disabilities.

(C) Not less than six months prior to closing a state institution or reducing a state institution's population by forty per cent or more within a period of one year, the department shall identify those counties in which individuals leaving the institution have chosen to reside and notify the county boards of mental retardation and developmental disabilities in those counties of the need to develop the services specified in division (B) of this section. The notice shall specify the number of individuals requiring services who plan to reside in the county and indicate the amount of funds the department will use to provide or arrange services for those individuals.

(D) In each county in which one or more persons receive residential services pursuant to division (B) of this section, the department shall provide or arrange provision of residential services, or shall distribute moneys to the county board of mental retardation and developmental disabilities to provide or arrange provision of residential services, for an equal number of persons with mental retardation or developmental disabilities in that county who the county board has determined need residential services but are not receiving them.

Sec. 5123.38. (A) Except as provided in division (B) and (C) of this

section, if an individual receiving supported living or home and community-based services, ~~as defined in section 5126.01 of the Revised Code~~, funded by a county board of mental retardation and developmental disabilities is committed to a state-operated intermediate care facility for the mentally retarded pursuant to sections 5123.71 to 5123.76 of the Revised Code, the department of mental retardation and developmental disabilities shall use the funds otherwise allocated to the county board as the nonfederal share of medicaid expenditures for the individual's care in the state-operated facility.

(B) Division (A) of this section does not apply if the county board, not later than ninety days after the date of the commitment of a person receiving supported services, commences funding of supported living for an individual who resides in a state-operated intermediate care facility for the mentally retarded on the date of the commitment or another eligible individual designated by the department.

(C) Division (A) of this section does not apply if the county board, not later than ninety days after the date of the commitment of a person receiving home and community-based services, commences funding of home and community-based services for an individual who resides in a state-operated intermediate care facility for the mentally retarded on the date of the commitment or another eligible individual designated by the department.

Sec. 5123.41. As used in this section and sections 5123.42 to 5123.47 of the Revised Code:

(A) "Adult services" has the same meaning as in section 5126.01 of the Revised Code.

~~(B) "Certified home and community-based services provider" means a person or government entity certified under section 5123.16 of the Revised Code.~~

~~(C)~~ "Certified supported living provider" means a person or government entity certified under section ~~5126.43~~ 5123.161 of the Revised Code.

~~(D)~~(C) "Drug" has the same meaning as in section 4729.01 of the Revised Code.

~~(E)~~(D) "Family support services" has the same meaning as in section 5126.01 of the Revised Code.

~~(F)~~(E) "Health-related activities" means the following:

- (1) Taking vital signs;
- (2) Application of clean dressings that do not require health assessment;
- (3) Basic measurement of bodily intake and output;
- (4) Oral suctioning;
- (5) Use of glucometers;

- (6) External urinary catheter care;
- (7) Emptying and replacing colostomy bags;
- (8) Collection of specimens by noninvasive means.

~~(G)~~(F) "Licensed health professional authorized to prescribe drugs" has the same meaning as in section 4729.01 of the Revised Code.

~~(H)~~ "Medicaid" has the same meaning as in section 5111.01 of the Revised Code.

~~(H)~~(G) "MR/DD personnel" means the employees and the workers under contract who provide specialized services to individuals with mental retardation and developmental disabilities. "MR/DD personnel" includes those who provide the services as follows:

(1) Through direct employment with the department of mental retardation and developmental disabilities or a county board of mental retardation and developmental disabilities;

(2) Through an entity under contract with the department of mental retardation and developmental disabilities or a county board of mental retardation and developmental disabilities;

(3) Through direct employment or by being under contract with private entities, including private entities that operate residential facilities.

~~(H)~~(H) "Nursing delegation" means the process established in rules adopted by the board of nursing pursuant to Chapter 4723. of the Revised Code under which a registered nurse or licensed practical nurse acting at the direction of a registered nurse transfers the performance of a particular nursing activity or task to another person who is not otherwise authorized to perform the activity or task.

~~(K)~~(I) "Prescribed medication" means a drug that is to be administered according to the instructions of a licensed health professional authorized to prescribe drugs.

~~(L)~~(J) "Residential facility" means a facility licensed under section 5123.19 of the Revised Code or subject to section 5123.192 of the Revised Code.

~~(M)~~(K) "Specialized services" has the same meaning as in section 5123.50 of the Revised Code.

~~(N)~~(L) "Tube feeding" means the provision of nutrition to an individual through a gastrostomy tube or a jejunostomy tube.

Sec. 5123.51. (A) In addition to any other action required by sections 5123.61 and 5126.31 of the Revised Code, the department of mental retardation and developmental disabilities shall review each report the department receives of abuse or neglect of an individual with mental retardation or a developmental disability or misappropriation of an

individual's property that includes an allegation that an MR/DD employee committed or was responsible for the abuse, neglect, or misappropriation. The department shall review a report it receives from a public children services agency only after the agency completes its investigation pursuant to section 2151.421 of the Revised Code. On receipt of a notice under section 2930.061 or 5123.541 of the Revised Code, the department shall review the notice.

(B) The department shall do both of the following:

(1) Investigate the allegation or adopt the findings of an investigation or review of the allegation conducted by another person or government entity and determine whether there is a reasonable basis for the allegation;

(2) If the department determines that there is a reasonable basis for the allegation, conduct an adjudication pursuant to Chapter 119. of the Revised Code.

(C)(1) The department shall appoint an independent hearing officer to conduct any hearing conducted pursuant to division (B)(2) of this section, except that, if the hearing is regarding an employee of the department who is represented by a union, the department and a representative of the union shall jointly select the hearing officer.

(2)(a) Except as provided in division (C)(2)(b) of this section, no hearing shall be conducted under division (B)(2) of this section until any criminal proceeding or collective bargaining arbitration concerning the same allegation has concluded.

(b) The department may conduct a hearing pursuant to division (B)(2) of this section before a criminal proceeding concerning the same allegation is concluded if both of the following are the case:

(i) The department notifies the prosecutor responsible for the criminal proceeding that the department proposes to conduct a hearing.

(ii) The prosecutor consents to the hearing.

(3) In conducting a hearing pursuant to division (B)(2) of this section, the hearing officer shall do all of the following:

(a) Determine whether there is clear and convincing evidence that the MR/DD employee has done any of the following:

(i) Misappropriated property of one or more individuals with mental retardation or a developmental disability that has a value, either separately or taken together, of one hundred dollars or more;

(ii) Misappropriated property of an individual with mental retardation or a developmental disability that is designed to be used as a check, draft, negotiable instrument, credit card, charge card, or device for initiating an electronic fund transfer at a point of sale terminal, automated teller machine,

or cash dispensing machine;

(iii) Knowingly abused such an individual;

(iv) Recklessly abused or neglected such an individual, with resulting physical harm;

(v) Negligently abused or neglected such an individual, with resulting serious physical harm;

(vi) Recklessly neglected such an individual, creating a substantial risk of serious physical harm;

(vii) Engaged in sexual conduct or had sexual contact with an individual with mental retardation or another developmental disability who was not the MR/DD employee's spouse and for whom the MR/DD employee was employed or under a contract to provide care;

(viii) Unreasonably failed to make a report pursuant to division (C) of section 5123.61 of the Revised Code when the employee knew or should have known that the failure would result in a substantial risk of harm to an individual with mental retardation or a developmental disability.

(b) Give weight to the decision in any collective bargaining arbitration regarding the same allegation;

(c) Give weight to any relevant facts presented at the hearing.

(D)(1) Unless the director of mental retardation and developmental disabilities determines that there are extenuating circumstances and except as provided in division (E) of this section, if the director, after considering all of the factors listed in division (C)(3) of this section, finds that there is clear and convincing evidence that an MR/DD employee has done one or more of the things described in division (C)(3)(a) of this section the director shall include the name of the employee in the registry established under section 5123.52 of the Revised Code.

(2) Extenuating circumstances the director must consider include the use of physical force by an MR/DD employee that was necessary as self-defense.

(3) If the director includes an MR/DD employee in the registry established under section 5123.52 of the Revised Code, the director shall notify the employee, the person or government entity that employs or contracts with the employee, the individual with mental retardation or a developmental disability who was the subject of the report and that individual's legal guardian, if any, the attorney general, and the prosecuting attorney or other law enforcement agency. If the MR/DD employee holds a license, certificate, registration, or other authorization to engage in a profession issued pursuant to Title XLVII of the Revised Code, the director shall notify the appropriate agency, board, department, or other entity

responsible for regulating the employee's professional practice.

(4) If an individual whose name appears on the registry is involved in a court proceeding or arbitration arising from the same facts as the allegation resulting in the individual's placement on the registry, the disposition of the proceeding or arbitration shall be noted in the registry next to the individual's name.

(E) In the case of an allegation concerning an employee of the department, after the hearing conducted pursuant to division (B)(2) of this section, the director of health or that director's designee shall review the decision of the hearing officer to determine whether the standard described in division (C)(3) of this section has been met. If the director or designee determines that the standard has been met and that no extenuating circumstances exist, the director or designee shall notify the director of mental retardation and developmental disabilities that the MR/DD employee is to be included in the registry established under section 5123.52 of the Revised Code. If the director of mental retardation and developmental disabilities receives such notification, the director shall include the MR/DD employee in the registry and shall provide the notification described in division (D)(3) of this section.

(F) If the department is required by Chapter 119. of the Revised Code to give notice of an opportunity for a hearing and the MR/DD employee subject to the notice does not timely request a hearing in accordance with section 119.07 or 5123.0414 of the Revised Code, the department is not required to hold a hearing.

(G) Files and records of investigations conducted pursuant to this section are not public records as defined in section 149.43 of the Revised Code, but, on request, the department shall provide copies of those files and records to the attorney general, a prosecuting attorney, or a law enforcement agency.

Sec. 5123.60. (A) A legal rights service is hereby created and established to protect and advocate the rights of mentally ill persons, mentally retarded persons, developmentally disabled persons, and other disabled persons who may be represented by the service pursuant to division (L) of this section; to receive and act upon complaints concerning institutional and hospital practices and conditions of institutions for mentally retarded or developmentally disabled persons and hospitals for the mentally ill; and to assure that all persons detained, hospitalized, discharged, or institutionalized, and all persons whose detention, hospitalization, discharge, or institutionalization is sought or has been sought under this chapter or Chapter 5122. of the Revised Code are fully informed of their rights and

adequately represented by counsel in proceedings under this chapter or Chapter 5122. of the Revised Code and in any proceedings to secure the rights of those persons. Notwithstanding the definitions of "mentally retarded person" and "developmentally disabled person" in section 5123.01 of the Revised Code, the legal rights service shall determine who is a mentally retarded or developmentally disabled person for purposes of this section and sections 5123.601 to 5123.604 of the Revised Code.

(B)(1) In regard to those persons detained, hospitalized, or institutionalized under Chapter 5122. of the Revised Code, the legal rights service shall undertake formal representation only of those persons who are involuntarily detained, hospitalized, or institutionalized pursuant to sections 5122.10 to 5122.15 of the Revised Code, and those voluntarily detained, hospitalized, or institutionalized who are minors, who have been adjudicated incompetent, who have been detained, hospitalized, or institutionalized in a public hospital, or who have requested representation by the legal rights service. ¶

(2) If a person referred to in division (A) of this section voluntarily requests in writing that the legal rights service terminate participation in the person's case, such involvement shall cease.

(3) Persons described in divisions (A) and (B)(1) of this section who are represented by the legal rights service are clients of the legal rights service.

(C) Any person voluntarily hospitalized or institutionalized in a public hospital under division (A) of section 5122.02 of the Revised Code, after being fully informed of the person's rights under division (A) of this section, may, by written request, waive assistance by the legal rights service if the waiver is knowingly and intelligently made, without duress or coercion.

The waiver may be rescinded at any time by the voluntary patient or resident, or by the voluntary patient's or resident's legal guardian.

(D)(1) The legal rights service commission is hereby created for the purposes of appointing an administrator of the legal rights service, advising the administrator, assisting the administrator in developing a budget, advising the administrator in establishing and annually reviewing a strategic plan, creating a procedure for filing and determination of grievances against the legal rights service, and establishing general policy guidelines, including guidelines for the commencement of litigation, for the legal rights service. The commission may adopt rules to carry these purposes into effect and may receive and act upon appeals of personnel decisions by the administrator.

(2) The commission shall consist of seven members. One member, who shall serve as chairperson, shall be appointed by the chief justice of the supreme court, three members shall be appointed by the speaker of the

house of representatives, and three members shall be appointed by the president of the senate. At least two members shall have experience in the field of developmental disabilities, and at least two members shall have experience in the field of mental health. No member shall be a provider or related to a provider of services to mentally retarded, developmentally disabled, or mentally ill persons.

(3) Terms of office of the members of the commission shall be for three years, each term ending on the same day of the month of the year as did the term which it succeeds. Each member shall serve subsequent to the expiration of the member's term until a successor is appointed and qualifies, or until sixty days has elapsed, whichever occurs first. No member shall serve more than two consecutive terms.

All vacancies in the membership of the commission shall be filled in the manner prescribed for regular appointments to the commission and shall be limited to the unexpired terms.

(4) The commission shall meet at least four times each year. Members shall be reimbursed for their necessary and actual expenses incurred in the performance of their official duties.

(5) The administrator of the legal rights service shall serve at the pleasure of the commission.

The administrator shall be ~~a person who has had special training and experience in the type of work with which the legal rights service is charged. If the administrator is not an attorney, the administrator shall seek legal counsel when appropriate~~ an attorney admitted to practice law in this state. The salary of the administrator shall be established in accordance with section 124.14 of the Revised Code.

(E) The legal rights service shall be completely independent of the department of mental health and the department of mental retardation and developmental disabilities and, notwithstanding section 109.02 of the Revised Code, shall also be independent of the office of the attorney general. The administrator of the legal rights service, staff, and attorneys designated by the administrator to represent persons detained, hospitalized, or institutionalized under this chapter or Chapter 5122. of the Revised Code shall have ready access to the following:

(1) During normal business hours and at other reasonable times, all records, except records of community residential facilities and records of contract agencies of county boards of mental retardation and developmental disabilities and boards of alcohol, drug addiction and mental health services, relating to expenditures of state and federal funds or to the commitment, care, treatment, and habilitation of all persons represented by the legal rights

service, including those who may be represented pursuant to division (L) of this section, or persons detained, hospitalized, institutionalized, or receiving services under this chapter or Chapter 340., 5119., 5122., or 5126. of the Revised Code that are records maintained by the following entities providing services for those persons: departments; institutions; hospitals; ~~community residential facilities~~; boards of alcohol, drug addiction, and mental health services; county boards of mental retardation and developmental disabilities; ~~contract agencies of those boards~~; and any other entity providing services to persons who may be represented by the service pursuant to division (L) of this section;

(2) Any records maintained in computerized data banks of the departments or boards or, in the case of persons who may be represented by the service pursuant to division (L) of this section, any other entity that provides services to those persons;

(3) During their normal working hours, personnel of the departments, facilities, boards, agencies, institutions, hospitals, and other service-providing entities;

(4) At any time, all persons detained, hospitalized, or institutionalized; persons receiving services under this chapter or Chapter 340., 5119., 5122., or 5126. of the Revised Code; and persons who may be represented by the service pursuant to division (L) of this section.

(5) Records of a community residential facility, a contract agency of a board of alcohol, drug addiction, and mental health services, or a contract agency of a county board of mental retardation and developmental disabilities with one of the following consents:

(a) The consent of the person, including when the person is a minor or has been adjudicated incompetent;

(b) The consent of the person's guardian of the person, if any, or the parent if the person is a minor;

(c) No consent, if the person is unable to consent for any reason, and the guardian of the person, if any, or the parent of the minor, has refused to consent or has not responded to a request for consent and either of the following has occurred:

(i) A complaint regarding the person has been received by the legal rights service;

(ii) The legal rights service has determined that there is probable cause to believe that such person has been subjected to abuse or neglect.

(F) The administrator of the legal rights service shall do the following:

(1) Administer and organize the work of the legal rights service and establish administrative or geographic divisions as the administrator

considers necessary, proper, and expedient;

(2) Adopt and promulgate rules that are not in conflict with rules adopted by the commission and prescribe duties for the efficient conduct of the business and general administration of the legal rights service;

(3) Appoint and discharge employees, and hire experts, consultants, advisors, or other professionally qualified persons as the administrator considers necessary to carry out the duties of the legal rights service;

(4) Apply for and accept grants of funds, and accept charitable gifts and bequests;

(5) Prepare and submit a budget to the general assembly for the operation of the legal rights service. At least thirty days prior to submitting the budget to the general assembly, the administrator shall provide a copy of the budget to the commission for review and comment. When submitting the budget to the general assembly, the administrator shall include a copy of any written comments returned by the commission to the administrator.

(6) Enter into contracts and make expenditures necessary for the efficient operation of the legal rights service;

(7) Annually prepare a report of activities and submit copies of the report to the governor, the chief justice of the supreme court, the president of the senate, the speaker of the house of representatives, the director of mental health, and the director of mental retardation and developmental disabilities, and make the report available to the public;

(8) Upon request of the commission or of the chairperson of the commission, report to the commission on specific litigation issues or activities.

(G)(1) The legal rights service may act directly or contract with other organizations or individuals for the provision of the services envisioned under this section.

(2) Whenever possible, the administrator shall attempt to facilitate the resolution of complaints through administrative channels. Subject to division (G)(3) of this section, if attempts at administrative resolution prove unsatisfactory, the administrator may pursue any legal, administrative, and other appropriate remedies or approaches that may be necessary to accomplish the purposes of this section.

(3) The administrator may not pursue a class action lawsuit under division (G)(2) of this section when attempts at administrative resolution of a complaint prove unsatisfactory under that division unless both of the following have first occurred:

(a) At least four members of the commission, by their affirmative vote, have consented to the pursuit of the class action lawsuit;

(b) At least five members of the commission are present at the meeting of the commission at which that consent is obtained.

(4) All records received or maintained by the legal rights service in connection with any investigation, representation, or other activity under this section shall be confidential and shall not be disclosed except as authorized by the person represented by the legal rights service or, subject to any privilege, a guardian of the person or parent of the minor. Subject to division (G)(5) of this section, relationships between personnel and the agents of the legal rights service and its clients shall be fiduciary relationships, and all communications shall be ~~confidential~~, privileged as if between attorney and client.

(5) Any person who has been represented by the legal rights service or who has applied for and been denied representation and who files a grievance with the service concerning the representation or application may appeal the decision of the service on the grievance to the commission. The person may appeal notwithstanding any objections of the person's legal guardian. The commission may examine any records relevant to the appeal and shall maintain the confidentiality of any records that are required to be kept confidential.

(H) The legal rights service, on the order of the administrator, with the approval by an affirmative vote of at least four members of the commission, may compel by subpoena the appearance and sworn testimony of any person the administrator reasonably believes may be able to provide information or to produce any documents, books, records, papers, or other information necessary to carry out its duties. On the refusal of any person to produce or authenticate any requested documents, the legal rights service may apply to the Franklin county court of common pleas to compel the production or authentication of requested documents. If the court finds that failure to produce or authenticate any requested documents was improper, the court may hold the person in contempt as in the case of disobedience of the requirements of a subpoena issued from the court, or a refusal to testify in the court.

(I) The legal rights service may conduct public hearings.

(J) The legal rights service may request from any governmental agency any cooperation, assistance, services, or data that will enable it to perform its duties.

(K) In any malpractice action filed against the administrator of the legal rights service, a member of the staff of the legal rights service, or an attorney designated by the administrator to perform legal services under division (E) of this section, the state shall, when the administrator, member,

or attorney has acted in good faith and in the scope of employment, indemnify the administrator, member, or attorney for any judgment awarded or amount negotiated in settlement, and for any court costs or legal fees incurred in defense of the claim.

This division does not limit or waive, and shall not be construed to limit or waive, any defense that is available to the legal rights service, its administrator or employees, persons under a personal services contract with it, or persons designated under division (E) of this section, including, but not limited to, any defense available under section 9.86 of the Revised Code.

(L) In addition to providing services to mentally ill, mentally retarded, or developmentally disabled persons, when a grant authorizing the provision of services to other individuals is accepted pursuant to division (F)(4) of this section, the legal rights service and its ombudsperson section may provide advocacy or ombudsperson services to those other individuals and exercise any other authority granted by this section or sections 5123.601 to 5123.604 of the Revised Code on behalf of those individuals. Determinations of whether an individual is eligible for services under this division shall be made by the legal rights service.

~~Sec. 5123.602. The ombudsman~~ (A) Except as provided in division (B) of this section, the ombudsperson section of the legal rights service may, in order to carry out its duties under this chapter, make necessary inquiries and obtain information it considers necessary. ~~For those purposes~~ Upon receiving a complaint and in the course of conducting an investigation in accordance with division (B) of section 5123.601 of the Revised Code, the section shall have ready access to the premises and records of all providers of services to mentally retarded, developmentally disabled, or mentally ill persons and shall have the right to communicate in a private and confidential setting with any mentally retarded, developmentally disabled, or mentally ill persons, with their parents, guardians, or advocates, and with employees of any provider.

(B) Records held by community residential facilities, contract agencies of boards of alcohol, drug addiction, and mental health services, and contract agencies of county boards of mental retardation and developmental disabilities shall only be accessible by the ombudsperson section of the legal rights service in a situation as described in division (E)(5) of section 5123.60 of the Revised Code.

Sec. 5123.605. There is hereby created in the state treasury the program income fund. Revenue generated from settlements, gifts, donations, and other sources of legal rights service program income shall be credited to the fund. The program income fund shall be used to support legal rights service

programs for purposes from which the income was derived and for the general support of legal rights service programs.

Sec. 5123.99. (A) Whoever violates section 5123.16 or 5123.20 of the Revised Code is guilty of a misdemeanor of the first degree.

(B) Whoever violates division (C), (E), or (G)(3) of section 5123.61 of the Revised Code is guilty of a misdemeanor of the fourth degree or, if the abuse or neglect constitutes a felony, a misdemeanor of the second degree. In addition to any other sanction or penalty authorized or required by law, if a person who is convicted of or pleads guilty to a violation of division (C), (E), or (G)(3) of section 5123.61 of the Revised Code is an MR/DD employee, as defined in section 5123.50 of the Revised Code, the offender shall be eligible to be included in the registry regarding misappropriation, abuse, neglect, or other specified misconduct by MR/DD employees established under section 5123.52 of the Revised Code.

(C) Whoever violates division (A) of section 5123.604 of the Revised Code is guilty of a misdemeanor of the second degree.

(D) Whoever violates division (B) of section 5123.604 of the Revised Code shall be fined not more than one thousand dollars. Each violation constitutes a separate offense.

Sec. 5126.038. (A)~~(1)~~ As used in this section, "professional services" means all of the following services provided on behalf of a county board of mental retardation and developmental disabilities, members or employees of a county board, or both:

- ~~(a)~~(1) Lobbying and other governmental affairs services;
- ~~(b)~~(2) Legal services other than the legal services provided by a county prosecutor or provided for the purpose of collective bargaining;
- ~~(c)~~(3) Public relation services;
- ~~(d)~~(4) Consulting services;
- ~~(e)~~(5) Personnel training services, not including tuition or professional growth reimbursement programs for county board members or employees.

~~(2) "Professional services" does not mean services provided pursuant to a service contract as defined in section 5126.035 of the Revised Code.~~

(B) Each county board of mental retardation and developmental disabilities shall submit to the board of county commissioners of each county that is served by the county board, in accordance with the normal budget process and as part of its budget request, a list identifying the total expenditures projected for any of the following:

- (1) Any membership dues of the members or employees of the county board, in any organization, association, or other entity;
- (2) Any professional services of the county board, its members or

employees, or both;

(3) Any training of the members or employees of the county board.

Sec. 5126.04. (A) Each county board of mental retardation and developmental disabilities shall plan and set priorities based on available resources for the provision of facilities, programs, and other services to meet the needs of county residents who are individuals with mental retardation and other developmental disabilities, former residents of the county residing in state institutions or placed under purchase of service agreements under section 5123.18 of the Revised Code, and children subject to a determination made pursuant to section 121.38 of the Revised Code.

Each county board shall assess the facility and service needs of the individuals with mental retardation and other developmental disabilities who are residents of the county or former residents of the county residing in state institutions or placed under purchase of service agreements under section 5123.18 of the Revised Code.

Each county board shall require individual habilitation or service plans for individuals with mental retardation and other developmental disabilities who are being served or who have been determined eligible for services and are awaiting the provision of services. Each board shall ensure that methods of having their service needs evaluated are available.

(B) The department of mental retardation and developmental disabilities may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement this section. To the extent that rules adopted under this section apply to the identification and placement of ~~handicapped~~ children with disabilities under Chapter 3323. of the Revised Code, the rules shall be consistent with the standards and procedures established under sections 3323.03 to 3323.05 of the Revised Code.

(C) The responsibility or authority of a county board to provide services under this chapter does not affect the responsibility of any other entity of state or local government to provide services to individuals with mental retardation and developmental disabilities.

(D) On or before the first day of February prior to a school year, a county board of mental retardation and developmental disabilities may elect not to participate during that school year in the provision of or contracting for educational services for children ages six through twenty-one years of age, provided that on or before that date the board gives notice of this election to the superintendent of public instruction, each school district in the county, and the educational service center serving the county. If a board makes this election, it shall not have any responsibility for or authority to provide educational services that school year for children ages six through

twenty-one years of age. If a board does not make an election for a school year in accordance with this division, the board shall be deemed to have elected to participate during that school year in the provision of or contracting for educational services for children ages six through twenty-one years of age.

(E) If a county board of mental retardation and developmental disabilities elects to provide educational services during a school year to individuals six through twenty-one years of age who ~~are multiply handicapped~~ have multiple disabilities, the board may provide these services to individuals who are appropriately identified and determined eligible pursuant to Chapter 3323. of the Revised Code, and in accordance with applicable rules of the state board of education. The county board may also provide related services to individuals six through twenty-one years of age who have one or more disabling conditions, in accordance with section 3317.20 and Chapter 3323. of the Revised Code and applicable rules of the state board of education.

Sec. 5126.041. (A) As used in this section:

(1) "Biological risk" and "environmental risk" have the meanings established pursuant to section 5123.011 of the Revised Code.

(2) "~~Handicapped preschool~~ Preschool child with a disability" has the same meaning as in section 3323.01 of the Revised Code.

(3) "State institution" means all or part of an institution under the control of the department of mental retardation and developmental disabilities pursuant to section 5123.03 of the Revised Code and maintained for the care, treatment, and training of the mentally retarded.

(B) Except as provided in division (C) of this section, each county board of mental retardation and developmental disabilities shall make eligibility determinations in accordance with the definition of "developmental disability" in section 5126.01 of the Revised Code. Pursuant to rules the department of mental retardation and developmental disabilities shall adopt in accordance with Chapter 119. of the Revised Code, a county board may establish eligibility for programs and services for either of the following:

(1) Individuals under age six who have a biological risk or environmental risk of a developmental delay;

(2) Any ~~handicapped~~ preschool child with a disability eligible for services under section 3323.02 of the Revised Code whose ~~handicap~~ disability is not attributable solely to mental illness as defined in section 5122.01 of the Revised Code.

(C)(1) A county board shall make determinations of eligibility for service and support administration in accordance with rules adopted under

section 5126.08 of the Revised Code.

(2) All persons who were eligible for services and enrolled in programs offered by a county board of mental retardation and developmental disabilities pursuant to this chapter on July 1, 1991, shall continue to be eligible for those services and to be enrolled in those programs as long as they are in need of services.

(3) A person who resided in a state institution on or before October 29, 1993, is eligible for programs and services offered by a county board of mental retardation and developmental disabilities, unless the person is determined by the county board not to be in need of those programs and services.

(D) A county board shall refer a person who requests but is not eligible for programs and services offered by the board to other entities of state and local government or appropriate private entities that provide services.

(E) Membership of a person on, or employment of a person by, a county board of mental retardation and developmental disabilities does not affect the eligibility of any member of that person's family for services provided by the board or by any entity under contract with the board.

Sec. 5126.042. (A) As used in this section, "emergency" means any situation that creates for an individual with mental retardation or developmental disabilities a risk of substantial self-harm or substantial harm to others if action is not taken within thirty days. An "emergency" may include one or more of the following situations:

- (1) Loss of present residence for any reason, including legal action;
- (2) Loss of present caretaker for any reason, including serious illness of the caretaker, change in the caretaker's status, or inability of the caretaker to perform effectively for the individual;
- (3) Abuse, neglect, or exploitation of the individual;
- (4) Health and safety conditions that pose a serious risk to the individual or others of immediate harm or death;
- (5) Change in the emotional or physical condition of the individual that necessitates substantial accommodation that cannot be reasonably provided by the individual's existing caretaker.

(B) If a county board of mental retardation and developmental disabilities determines that available resources are not sufficient to meet the needs of all individuals who request programs and services and may be offered the programs and services, it shall establish waiting lists for services. The board may establish priorities for making placements on its waiting lists according to an individual's emergency status and shall establish priorities in accordance with divisions (D) and (E) of this section.

The individuals who may be placed on a waiting list include individuals with a need for services on an emergency basis and individuals who have requested services for which resources are not available.

Except for an individual who is to receive priority for services pursuant to division (D)(3) of this section, an individual who currently receives a service but would like to change to another service shall not be placed on a waiting list but shall be placed on a service substitution list. The board shall work with the individual, service providers, and all appropriate entities to facilitate the change in service as expeditiously as possible. The board may establish priorities for making placements on its service substitution lists according to an individual's emergency status.

In addition to maintaining waiting lists and service substitution lists, a board shall maintain a long-term service planning registry for individuals who wish to record their intention to request in the future a service they are not currently receiving. The purpose of the registry is to enable the board to document requests and to plan appropriately. The board may not place an individual on the registry who meets the conditions for receipt of services on an emergency basis.

(C) A county board shall establish a separate waiting list for each of the following categories of services, and may establish separate waiting lists within the waiting lists:

- (1) Early childhood services;
- (2) Educational programs for preschool and school age children;
- (3) Adult services;
- (4) Service and support administration;
- (5) Residential services and supported living;
- (6) Transportation services;
- (7) Other services determined necessary and appropriate for persons with mental retardation or a developmental disability according to their individual habilitation or service plans;
- (8) Family support services provided under section 5126.11 of the Revised Code.

(D) Except as provided in division (G) of this section, a county board shall do, as priorities, all of the following in accordance with the assessment component, approved under section 5123.046 of the Revised Code, of the county board's plan developed under section 5126.054 of the Revised Code:

- (1) For the purpose of obtaining additional federal medicaid funds for home and community-based services and medicaid case management services, do both of the following:
 - (a) Give an individual who is eligible for home and community-based

services and meets both of the following requirements priority over any other individual on a waiting list established under division (C) of this section for home and community-based services that include supported living, residential services, or family support services:

- (i) Is twenty-two years of age or older;
- (ii) Receives supported living or family support services.

(b) Give an individual who is eligible for home and community-based services and meets both of the following requirements priority over any other individual on a waiting list established under division (C) of this section for home and community-based services that include adult services:

(i) Resides in the individual's own home or the home of the individual's family and will continue to reside in that home after enrollment in home and community-based services;

- (ii) Receives adult services from the county board.

(2) As federal medicaid funds become available pursuant to division (D)(1) of this section, give an individual who is eligible for home and community-based services and meets any of the following requirements priority for such services over any other individual on a waiting list established under division (C) of this section:

(a) Does not receive residential services or supported living, either needs services in the individual's current living arrangement or will need services in a new living arrangement, and has a primary caregiver who is sixty years of age or older;

(b) Is less than twenty-two years of age and has at least one of the following service needs that are unusual in scope or intensity:

(i) Severe behavior problems for which a behavior support plan is needed;

(ii) An emotional disorder for which anti-psychotic medication is needed;

(iii) A medical condition that leaves the individual dependent on life-support medical technology;

(iv) A condition affecting multiple body systems for which a combination of specialized medical, psychological, educational, or habilitation services are needed;

(v) A condition the county board determines to be comparable in severity to any condition described in ~~division~~ divisions (D)(2)(b)(i) to (iv) of this section and places the individual at significant risk of institutionalization.

(c) Is twenty-two years of age or older, does not receive residential services or supported living, and is determined by the county board to have

intensive needs for home and community-based services on an in-home or out-of-home basis.

(3) In fiscal years 2002 and 2003, give an individual who is eligible for home and community-based services, resides in an intermediate care facility for the mentally retarded or nursing facility, chooses to move to another setting with the help of home and community-based services, and has been determined by the department of mental retardation and developmental disabilities to be capable of residing in the other setting, priority over any other individual on a waiting list established under division (C) of this section for home and community-based services who does not meet these criteria. The department of mental retardation and developmental disabilities shall identify the individuals to receive priority under division (D)(3) of this section, assess the needs of the individuals, and notify the county boards that are to provide the individuals priority under division (D)(3) of this section of the individuals identified by the department and the individuals' assessed needs.

(E) Except as provided in division (G) of this section and for a number of years and beginning on a date specified in rules adopted under division (K) of this section, a county board shall give an individual who is eligible for home and community-based services, resides in a nursing facility, and chooses to move to another setting with the help of home and community-based services, priority over any other individual on a waiting list established under division (C) of this section for home and community-based services who does not meet these criteria.

(F) If two or more individuals on a waiting list established under division (C) of this section for home and community-based services have priority for the services pursuant to division (D)(1) or (2) or (E) of this section, a county board may use, until December 31, ~~2007~~ 2009, criteria specified in rules adopted under division (K)(2) of this section in determining the order in which the individuals with priority will be offered the services. Otherwise, the county board shall offer the home and community-based services to such individuals in the order they are placed on the waiting list.

(G)(1) No individual may receive priority for services pursuant to division (D) or (E) of this section over an individual placed on a waiting list established under division (C) of this section on an emergency status.

(2) No more than four hundred individuals in the state may receive priority for services during the ~~2006~~ 2008 and ~~2007~~ 2009 biennium pursuant to division (D)(2)(b) of this section.

(3) No more than a total of seventy-five individuals in the state may

receive priority for services during state fiscal years 2002 and 2003 pursuant to division (D)(3) of this section.

(4) No more than forty individuals in the state may receive priority for services pursuant to division (E) of this section for each year that priority category is in effect as specified in rules adopted under division (K) of this section.

(H) Prior to establishing any waiting list under this section, a county board shall develop and implement a policy for waiting lists that complies with this section and rules adopted under division (K) of this section.

Prior to placing an individual on a waiting list, the county board shall assess the service needs of the individual in accordance with all applicable state and federal laws. The county board shall place the individual on the appropriate waiting list and may place the individual on more than one waiting list. The county board shall notify the individual of the individual's placement and position on each waiting list on which the individual is placed.

At least annually, the county board shall reassess the service needs of each individual on a waiting list. If it determines that an individual no longer needs a program or service, the county board shall remove the individual from the waiting list. If it determines that an individual needs a program or service other than the one for which the individual is on the waiting list, the county board shall provide the program or service to the individual or place the individual on a waiting list for the program or service in accordance with the board's policy for waiting lists.

When a program or service for which there is a waiting list becomes available, the county board shall reassess the service needs of the individual next scheduled on the waiting list to receive that program or service. If the reassessment demonstrates that the individual continues to need the program or service, the board shall offer the program or service to the individual. If it determines that an individual no longer needs a program or service, the county board shall remove the individual from the waiting list. If it determines that an individual needs a program or service other than the one for which the individual is on the waiting list, the county board shall provide the program or service to the individual or place the individual on a waiting list for the program or service in accordance with the board's policy for waiting lists. The county board shall notify the individual of the individual's placement and position on the waiting list on which the individual is placed.

(I) A child subject to a determination made pursuant to section 121.38 of the Revised Code who requires the home and community-based services provided through a medicaid component that the department of mental

retardation and developmental disabilities administers under section 5111.871 of the Revised Code shall receive services through that medicaid component. For all other services, a child subject to a determination made pursuant to section 121.38 of the Revised Code shall be treated as an emergency by the county boards and shall not be subject to a waiting list.

(J) Not later than the fifteenth day of March of each even-numbered year, each county board shall prepare and submit to the director of mental retardation and developmental disabilities its recommendations for the funding of services for individuals with mental retardation and developmental disabilities and its proposals for reducing the waiting lists for services.

(K)(1) The department of mental retardation and developmental disabilities shall adopt rules in accordance with Chapter 119. of the Revised Code governing waiting lists established under this section. The rules shall include procedures to be followed to ensure that the due process rights of individuals placed on waiting lists are not violated.

(2) As part of the rules adopted under this division, the department shall adopt rules establishing criteria a county board may use under division (F) of this section in determining the order in which individuals with priority for home and community-based services will be offered the services. The rules shall also specify conditions under which a county board, when there is no individual with priority for home and community-based services pursuant to division (D)(1) or (2) or (E) of this section available and appropriate for the services, may offer the services to an individual on a waiting list for the services but not given such priority for the services. The rules adopted under division (K)(2) of this section shall cease to have effect December 31, ~~2007~~ 2009.

(3) As part of the rules adopted under this division, the department shall adopt rules specifying both of the following for the priority category established under division (E) of this section:

(a) The number of years, which shall not exceed five, that the priority category will be in effect;

(b) The date that the priority category is to go into effect.

(L) The following shall take precedence over the applicable provisions of this section:

(1) Medicaid rules and regulations;

(2) Any specific requirements that may be contained within a medicaid state plan amendment or waiver program that a county board has authority to administer or with respect to which it has authority to provide services, programs, or supports.

Sec. 5126.046. (A) Each county board of mental retardation and developmental disabilities that has medicaid local administrative authority under division (A) of section 5126.055 of the Revised Code for habilitation, vocational, or community employment services provided as part of home and community-based services shall create a list of all persons and government entities eligible to provide such habilitation, vocational, or community employment services. If the county board chooses and is eligible to provide such habilitation, vocational, or community employment services, the county board shall include itself on the list. The county board shall make the list available to each individual with mental retardation or other developmental disability who resides in the county and is eligible for such habilitation, vocational, or community employment services. The county board shall also make the list available to such individuals' families.

An individual with mental retardation or other developmental disability who is eligible for habilitation, vocational, or community employment services may choose the provider of the services.

~~A county board that has medicaid local administrative authority under division (A) of section 5126.055 of the Revised Code for habilitation, vocational, and community employment services provided as part of home and community-based services shall pay the nonfederal share of the habilitation, vocational, and community employment services when required by section 5126.057 of the Revised Code. The department of mental retardation and developmental disabilities shall pay the nonfederal share of such habilitation, vocational, and community employment services when required by section 5123.047 of the Revised Code.~~

(B) Each month, the department of mental retardation and developmental disabilities shall create a list of all persons and government entities eligible to provide residential services and supported living. The department shall include on the list all residential facilities licensed under section 5123.19 of the Revised Code and all supported living providers certified under section ~~5126.431~~ 5123.161 of the Revised Code. The department shall distribute the monthly lists to county boards that have local administrative authority under division (A) of section 5126.055 of the Revised Code for residential services and supported living provided as part of home and community-based services. A county board that receives a list shall make it available to each individual with mental retardation or other developmental disability who resides in the county and is eligible for such residential services or supported living. The county board shall also make the list available to the families of those individuals.

An individual who is eligible for residential services or supported living

may choose the provider of the residential services or supported living.

~~A county board that has medicaid local administrative authority under division (A) of section 5126.055 of the Revised Code for residential services and supported living provided as part of home and community-based services shall pay the nonfederal share of the residential services and supported living when required by section 5126.057 of the Revised Code. The department shall pay the nonfederal share of the residential services and supported living when required by section 5123.047 of the Revised Code.~~

(C) If a county board that has medicaid local administrative authority under division (A) of section 5126.055 of the Revised Code for home and community-based services violates the right established by this section of an individual to choose a provider that is qualified and willing to provide services to the individual, the individual shall receive timely notice that the individual may request a hearing under section 5101.35 of the Revised Code.

(D) The departments of mental retardation and developmental disabilities and job and family services shall adopt rules in accordance with Chapter 119. of the Revised Code governing the implementation of this section. The rules shall include procedures for individuals to choose their service providers. The rules shall not be limited by a provider selection system established under section 5126.42 of the Revised Code, including any pool of providers created pursuant to a provider selection system.

Sec. 5126.05. (A) Subject to the rules established by the director of mental retardation and developmental disabilities pursuant to Chapter 119. of the Revised Code for programs and services offered pursuant to this chapter, and subject to the rules established by the state board of education pursuant to Chapter 119. of the Revised Code for programs and services offered pursuant to Chapter 3323. of the Revised Code, the county board of mental retardation and developmental disabilities shall:

(1) Administer and operate facilities, programs, and services as provided by this chapter and Chapter 3323. of the Revised Code and establish policies for their administration and operation;

(2) Coordinate, monitor, and evaluate existing services and facilities available to individuals with mental retardation and developmental disabilities;

(3) Provide early childhood services, supportive home services, and adult services, according to the plan and priorities developed under section 5126.04 of the Revised Code;

(4) Provide or contract for special education services pursuant to Chapters 3317. and 3323. of the Revised Code and ensure that related

services, as defined in section 3323.01 of the Revised Code, are available according to the plan and priorities developed under section 5126.04 of the Revised Code;

(5) Adopt a budget, authorize expenditures for the purposes specified in this chapter and do so in accordance with section 319.16 of the Revised Code, approve attendance of board members and employees at professional meetings and approve expenditures for attendance, and exercise such powers and duties as are prescribed by the director;

(6) Submit annual reports of its work and expenditures, pursuant to sections 3323.09 and 5126.12 of the Revised Code, to the director, the superintendent of public instruction, and the board of county commissioners at the close of the fiscal year and at such other times as may reasonably be requested;

(7) Authorize all positions of employment, establish compensation, including but not limited to salary schedules and fringe benefits for all board employees, approve contracts of employment for management employees that are for a term of more than one year, employ legal counsel under section 309.10 of the Revised Code, and contract for employee benefits;

(8) Provide service and support administration in accordance with section 5126.15 of the Revised Code;

(9) Certify respite care homes pursuant to rules adopted under section 5123.171 of the Revised Code by the director of mental retardation and developmental disabilities.

(B) To the extent that rules adopted under this section apply to the identification and placement of ~~handicapped~~ children with disabilities under Chapter 3323. of the Revised Code, they shall be consistent with the standards and procedures established under sections 3323.03 to 3323.05 of the Revised Code.

(C) Any county board may enter into contracts with other such boards and with public or private, nonprofit, or profit-making agencies or organizations of the same or another county, to provide the facilities, programs, and services authorized or required, upon such terms as may be agreeable, and in accordance with this chapter and Chapter 3323. of the Revised Code and rules adopted thereunder and in accordance with sections 307.86 and 5126.071 of the Revised Code.

(D) A county board may combine transportation for children and adults enrolled in programs and services offered under section 5126.12 with transportation for children enrolled in classes funded under section 3317.20 or units approved under section 3317.05 of the Revised Code.

(E) A county board may purchase all necessary insurance policies, may

purchase equipment and supplies through the department of administrative services or from other sources, and may enter into agreements with public agencies or nonprofit organizations for cooperative purchasing arrangements.

(F) A county board may receive by gift, grant, devise, or bequest any moneys, lands, or property for the benefit of the purposes for which the board is established and hold, apply, and dispose of the moneys, lands, and property according to the terms of the gift, grant, devise, or bequest. All money received by gift, grant, bequest, or disposition of lands or property received by gift, grant, devise, or bequest shall be deposited in the county treasury to the credit of such board and shall be available for use by the board for purposes determined or stated by the donor or grantor, but may not be used for personal expenses of the board members. Any interest or earnings accruing from such gift, grant, devise, or bequest shall be treated in the same manner and subject to the same provisions as such gift, grant, devise, or bequest.

(G) The board of county commissioners shall levy taxes and make appropriations sufficient to enable the county board of mental retardation and developmental disabilities to perform its functions and duties, and may utilize any available local, state, and federal funds for such purpose.

Sec. 5126.054. (A) Each county board of mental retardation and developmental disabilities shall, by resolution, develop a three-calendar year plan that includes the following ~~four~~ three components:

(1) An assessment component that includes all of the following:

(a) The number of individuals with mental retardation or other developmental disability residing in the county who need the level of care provided by an intermediate care facility for the mentally retarded, may seek home and community-based services, are given priority for the services pursuant to division (D) of section 5126.042 of the Revised Code; the service needs of those individuals; and the projected annualized cost for services;

(b) The source of funds available to the county board to pay the nonfederal share of medicaid expenditures that the county board is required by ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code to pay;

(c) Any other applicable information or conditions that the department of mental retardation and developmental disabilities requires as a condition of approving the component under section 5123.046 of the Revised Code.

(2) ~~A component that provides for the recruitment, training, and retention of existing and new direct care staff necessary to implement~~

~~services included in individualized service plans, including behavior management services and health management services such as delegated nursing and other habilitation services, and protect the health and welfare of individuals receiving services included in the individual's individualized service plan by complying with safeguards for unusual and major unusual incidents, day to day program management, and other requirements the department shall identify. A county board shall develop this component in collaboration with providers of medicaid funded services with which the county board contracts. A county board shall include all of the following in the component:~~

- ~~(a) The source and amount of funds available for the component;~~
- ~~(b) A plan and timeline for implementing the component with the medicaid providers under contract with the county board;~~
- ~~(c) The mechanisms the county board shall use to ensure the financial and program accountability of the medicaid provider's implementation of the component.~~

~~(3) A preliminary implementation component that specifies the number of individuals to be provided, during the first year that the plan is in effect, home and community-based services pursuant to the priority given to them under divisions (D)(1) and (2) of section 5126.042 of the Revised Code and the types of home and community-based services the individuals are to receive;~~

~~(4)(3) A component that provides for the implementation of medicaid case management services and home and community-based services for individuals who begin to receive the services on or after the date the plan is approved under section 5123.046 of the Revised Code. A county board shall include all of the following in the component:~~

- ~~(a) If the department of mental retardation and developmental disabilities or department of job and family services requires, an agreement to pay the nonfederal share of medicaid expenditures that the county board is required by ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code to pay;~~
- ~~(b) How the services are to be phased in over the period the plan covers, including how the county board will serve individuals on a waiting list established under division (C) of section 5126.042 who are given priority status under division (D)(1) of that section;~~
- ~~(c) Any agreement or commitment regarding the county board's funding of home and community-based services that the county board has with the department at the time the county board develops the component;~~
- ~~(d) Assurances adequate to the department that the county board will~~

comply with all of the following requirements:

(i) To provide the types of home and community-based services specified in the preliminary implementation component required by division (A)~~(3)~~(2) of this section to at least the number of individuals specified in that component;

(ii) To use any additional funds the county board receives for the services to improve the county board's resource capabilities for supporting such services available in the county at the time the component is developed and to expand the services to accommodate the unmet need for those services in the county;

(iii) To employ a business manager who is either a new employee who has earned at least a bachelor's degree in business administration or a current employee who has the equivalent experience of a bachelor's degree in business administration. If the county board will employ a new employee, the county board shall include in the component a timeline for employing the employee.

(iv) To employ or contract with a medicaid services manager who is either a new employee who has earned at least a bachelor's degree or a current employee who has the equivalent experience of a bachelor's degree. If the county board will employ a new employee, the county board shall include in the component a timeline for employing the employee. Two or three county boards that have a combined total enrollment in county board services not exceeding one thousand individuals as determined pursuant to certifications made under division (B) of section 5126.12 of the Revised Code may satisfy this requirement by sharing the services of a medicaid services manager or using the services of a medicaid services manager employed by or under contract with a regional council that the county boards establish under section 5126.13 of the Revised Code.

~~(e) An agreement to comply with the method, developed by rules adopted under section 5123.0413 of the Revised Code, of paying for extraordinary costs, including extraordinary costs for services to individuals with mental retardation or other developmental disability, and ensuring 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;~~

~~(f)~~ Programmatic and financial accountability measures and projected outcomes expected from the implementation of the plan;

~~(g)~~(f) Any other applicable information or conditions that the department requires as a condition of approving the component under section 5123.046 of the Revised Code.

~~(B) For the purpose of obtaining the department's approval under section 5123.046 of the Revised Code of the plan the county board develops under division (A) of this section, a county board shall do all of the following:~~

~~(1) Submit the components required by divisions (A)(1) and (2) of this section to the department not later than August 1, 2001;~~

~~(2) Submit the component required by division (A)(3) of this section to the department not later than January 31, 2002;~~

~~(3) Submit the component required by division (A)(4) of this section to the department not later than July 1, 2002.~~

~~(C)~~ A county board whose plan developed under division (A) of this section is approved by the department under section 5123.046 of the Revised Code shall update and renew the plan in accordance with a schedule the department shall develop.

Sec. 5126.055. (A) Except as provided in section 5126.056 of the Revised Code, a county board of mental retardation and developmental disabilities has medicaid local administrative authority to, and shall, do all of the following for an individual with mental retardation or other developmental disability who resides in the county that the county board serves and seeks or receives home and community-based services:

(1) Perform assessments and evaluations of the individual. As part of the assessment and evaluation process, the county board shall do all of the following:

(a) Make a recommendation to the department of mental retardation and developmental disabilities on whether the department should approve or deny the individual's application for the services, including on the basis of whether the individual needs the level of care an intermediate care facility for the mentally retarded provides;

(b) If the individual's application is denied because of the county board's recommendation and the individual requests a hearing under section 5101.35 of the Revised Code, present, with the department of mental retardation and developmental disabilities or department of job and family services, whichever denies the application, the reasons for the recommendation and denial at the hearing;

(c) If the individual's application is approved, recommend to the departments of mental retardation and developmental disabilities and job and family services the services that should be included in the individual's individualized service plan and, if either department approves, reduces, denies, or terminates a service included in the individual's individualized service plan under section 5111.871 of the Revised Code because of the

county board's recommendation, present, with the department that made the approval, reduction, denial, or termination, the reasons for the recommendation and approval, reduction, denial, or termination at a hearing under section 5101.35 of the Revised Code.

(2) If the individual has been identified by the department of mental retardation and developmental disabilities as an individual to receive priority for home and community-based services pursuant to division (D)(3) of section 5126.042 of the Revised Code, assist the department in expediting the transfer of the individual from an intermediate care facility for the mentally retarded or nursing facility to the home and community-based services;

(3) In accordance with the rules adopted under section 5126.046 of the Revised Code, perform the county board's duties under that section regarding assisting the individual's right to choose a qualified and willing provider of the services and, at a hearing under section 5101.35 of the Revised Code, present evidence of the process for appropriate assistance in choosing providers;

~~(4) Unless the county board provides the services under division (A)(5) of this section, contract with the person or government entity the individual chooses in accordance with section 5126.046 of the Revised Code to provide the services if the person or government entity is qualified and agrees to provide the services. The contract shall contain all the provisions required by section 5126.035 of the Revised Code and require the provider to agree to furnish, in accordance with the provider's medicaid provider agreement and for the authorized reimbursement rate, the services the individual requires.~~

~~(5)~~ If the county board is certified under section ~~5123.16~~ 5123.161 of the Revised Code to provide the services and agrees to provide the services to the individual and the individual chooses the county board to provide the services, furnish, in accordance with the county board's medicaid provider agreement and for the authorized reimbursement rate, the services the individual requires;

~~(6)~~(5) Monitor the services provided to the individual and ensure the individual's health, safety, and welfare. The monitoring shall include quality assurance activities. If the county board provides the services, the department of mental retardation and developmental disabilities shall also monitor the services.

~~(7)~~(6) Develop, with the individual and the provider of the individual's services, an effective individualized service plan that includes coordination of services, recommend that the departments of mental retardation and

developmental disabilities and job and family services approve the plan, and implement the plan unless either department disapproves it;

~~(8)~~(7) Have an investigative agent conduct investigations under section 5126.313 of the Revised Code that concern the individual;

~~(9)~~(8) Have a service and support administrator perform the duties under division (B)(9) of section 5126.15 of the Revised Code that concern the individual.

(B) A county board shall perform its medicaid local administrative authority under this section in accordance with all of the following:

(1) The county board's plan that the department of mental retardation and developmental disabilities approves under section 5123.046 of the Revised Code;

(2) All applicable federal and state laws;

(3) All applicable policies of the departments of mental retardation and developmental disabilities and job and family services and the United States department of health and human services;

(4) The department of job and family services' supervision under its authority under section 5111.01 of the Revised Code to act as the single state medicaid agency;

(5) The department of mental retardation and developmental disabilities' oversight.

(C) The departments of mental retardation and developmental disabilities and job and family services shall communicate with and provide training to county boards regarding medicaid local administrative authority granted by this section. The communication and training shall include issues regarding audit protocols and other standards established by the United States department of health and human services that the departments determine appropriate for communication and training. County boards shall participate in the training. The departments shall assess the county board's compliance against uniform standards that the departments shall establish.

(D) A county board may not delegate its medicaid local administrative authority granted under this section but may contract with a person or government entity, including a council of governments, for assistance with its medicaid local administrative authority. A county board that enters into such a contract shall notify the director of mental retardation and developmental disabilities. The notice shall include the tasks and responsibilities that the contract gives to the person or government entity. The person or government entity shall comply in full with all requirements to which the county board is subject regarding the person or government entity's tasks and responsibilities under the contract. The county board

remains ultimately responsible for the tasks and responsibilities.

(E) A county board that has medicaid local administrative authority under this section shall, through the departments of mental retardation and developmental disabilities and job and family services, reply to, and cooperate in arranging compliance with, a program or fiscal audit or program violation exception that a state or federal audit or review discovers. The department of job and family services shall timely notify the department of mental retardation and developmental disabilities and the county board of any adverse findings. After receiving the notice, the county board, in conjunction with the department of mental retardation and developmental disabilities, shall cooperate fully with the department of job and family services and timely prepare and send to the department a written plan of correction or response to the adverse findings. The county board is liable for any adverse findings that result from an action it takes or fails to take in its implementation of medicaid local administrative authority.

(F) If the department of mental retardation and developmental disabilities or department of job and family services determines that a county board's implementation of its medicaid local administrative authority under this section is deficient, the department that makes the determination shall require that county board do the following:

(1) If the deficiency affects the health, safety, or welfare of an individual with mental retardation or other developmental disability, correct the deficiency within twenty-four hours;

(2) If the deficiency does not affect the health, safety, or welfare of an individual with mental retardation or other developmental disability, receive technical assistance from the department or submit a plan of correction to the department that is acceptable to the department within sixty days and correct the deficiency within the time required by the plan of correction.

Sec. 5126.056. (A) The department of mental retardation and developmental disabilities shall take action under division (B) of this section against a county board of mental retardation and developmental disabilities if any of the following are the case:

(1) The county board fails to submit to the department all the components of its three-year plan required by section 5126.054 of the Revised Code ~~within the time required by division (B) of that section.~~

(2) The department disapproves the county board's three-year plan under section 5123.046 of the Revised Code.

(3) The county board fails, as required by division ~~(C)~~(B) of section 5126.054 of the Revised Code, to update and renew its three-year plan in accordance with a schedule the department develops under that section.

(4) The county board fails to implement its initial or renewed three-year plan approved by the department.

(5) The county board fails to correct a deficiency within the time required by division (F) of section 5126.055 of the Revised Code to the satisfaction of the department.

(6) The county board fails to submit an acceptable plan of correction to the department within the time required by division (F)(2) of section 5126.055 of the Revised Code.

(B) If required by division (A) of this section to take action against a county board, the department shall issue an order terminating the county board's medicaid local administrative authority over all or part of home and community-based services, medicaid case management services, or all or part of both of those services. The department shall provide a copy of the order to the board of county commissioners, senior probate judge, county auditor, and president and superintendent of the county board. The department shall specify in the order the medicaid local administrative authority that the department is terminating, the reason for the termination, and the county board's option and responsibilities under this division.

A county board whose medicaid local administrative authority is terminated may, not later than thirty days after the department issues the termination order, recommend to the department that another county board that has not had any of its medicaid local administrative authority terminated or another entity the department approves administer the services for which the county board's medicaid local administrative authority is terminated. The department may contract with the other county board or entity to administer the services. If the department enters into such a contract, the county board shall adopt a resolution giving the other county board or entity full medicaid local administrative authority over the services that the other county board or entity is to administer. The other county board or entity shall be known as the contracting authority.

If the department rejects the county board's recommendation regarding a contracting authority, the county board may appeal the rejection under section 5123.043 of the Revised Code.

If the county board does not submit a recommendation to the department regarding a contracting authority within the required time or the department rejects the county board's recommendation and the rejection is upheld pursuant to an appeal, if any, under section 5123.043 of the Revised Code, the department shall appoint an administrative receiver to administer the services for which the county board's medicaid local administrative authority is terminated. To the extent necessary for the department to

appoint an administrative receiver, the department may utilize employees of the department, management personnel from another county board, or other individuals who are not employed by or affiliated with in any manner a person that provides home and community-based services or medicaid case management services pursuant to a contract with any county board. The administrative receiver shall assume full administrative responsibility for the county board's services for which the county board's medicaid local administrative authority is terminated.

The contracting authority or administrative receiver shall develop and submit to the department a plan of correction to remediate the problems that caused the department to issue the termination order. If, after reviewing the plan, the department approves it, the contracting authority or administrative receiver shall implement the plan.

The county board shall transfer control of state and federal funds it is otherwise eligible to receive for the services for which the county board's medicaid local administrative authority is terminated and funds the county board may use under division ~~(B)~~(A) of section ~~5126.057~~ 5126.0511 of the Revised Code to pay the nonfederal share of the services that the county board is required by ~~division (A) of that section~~ sections 5126.059 and 5126.0510 of the Revised Code to pay. The county board shall transfer control of the funds to the contracting authority or administrative receiver administering the services. The amount the county board shall transfer shall be the amount necessary for the contracting authority or administrative receiver to fulfill its duties in administering the services, including its duties to pay its personnel for time worked, travel, and related matters. If the county board fails to make the transfer, the department may withhold the state and federal funds from the county board and bring a mandamus action against the county board in the court of common pleas of the county served by the county board or in the Franklin county court of common pleas. The mandamus action may not require that the county board transfer any funds other than the funds the county board is required by division (B) of this section to transfer.

The contracting authority or administrative receiver has the right to authorize the payment of bills in the same manner that the county board may authorize payment of bills under this chapter and section 319.16 of the Revised Code.

Sec. 5126.059. A county board of mental retardation and developmental disabilities shall pay the nonfederal share of medicaid expenditures for medicaid case management services the county board provides to an individual with mental retardation or other developmental disability who the

county board determines under section 5126.041 of the Revised Code is eligible for county board services.

Sec. 5126.0510. (A) Except as otherwise provided in an agreement entered into under section 5123.048 of the Revised Code and subject to divisions (B), (C), and (D) of this section, a county board of mental retardation and developmental disabilities shall pay the nonfederal share of medicaid expenditures for the following home and community-based services provided to an individual with mental retardation or other developmental disability who the county board determines under section 5126.041 of the Revised Code is eligible for county board services:

(1) Home and community-based services provided by the county board to such an individual;

(2) Home and community-based services provided by a provider other than the county board to such an individual who is enrolled as of June 30, 2007, in the medicaid waiver component under which the services are provided;

(3) Home and community-based services provided by a provider other than the county board to such an individual who, pursuant to a request the county board makes, enrolls in the medicaid waiver component under which the services are provided after June 30, 2007;

(4) Home and community-based services provided by a provider other than the county board to such an individual for whom there is in effect an agreement entered into under division (E) of this section between the county board and director of mental retardation and developmental disabilities.

(B) In the case of medicaid expenditures for home and community-based services for which division (A)(2) of this section requires a county board to pay the nonfederal share, the following shall apply to such services provided during fiscal year 2008 under the individual options medicaid waiver component:

(1) The county board shall pay no less than the total amount the county board paid as the nonfederal share for home and community-based services provided in fiscal year 2007 under the individual options medicaid waiver component;

(2) The county board shall pay no more than the sum of the following:

(a) The total amount the county board paid as the nonfederal share for home and community-based services provided in fiscal year 2007 under the individual options medicaid waiver component;

(b) An amount equal to one per cent of the total amount the department of mental retardation and developmental disabilities and county board paid as the nonfederal share for home and community-based services provided in

fiscal year 2007 under the individual options medicaid waiver component to individuals the county board determined under section 5126.041 of the Revised Code are eligible for county board services.

(C) A county board is not required to pay the nonfederal share of home and community-based services provided after June 30, 2008, that the county board is otherwise required by division (A)(2) of this section to pay if the department of mental retardation and developmental disabilities fails to comply with division (A) of section 5123.0416 of the Revised Code.

(D) A county board is not required to pay the nonfederal share of home and community-based services that the county board is otherwise required by division (A)(3) of this section to pay if both of the following apply:

(1) The services are provided to an individual who enrolls in the medicaid waiver component under which the services are provided as the result of an order issued following a state hearing, administrative appeal, or appeal to a court of common pleas made under section 5101.35 of the Revised Code:

(2) There are more individuals who are eligible for services from the county board enrolled in the medicaid waiver component than is required by section 5126.0512 of the Revised Code.

(E) A county board may enter into an agreement with the director of mental retardation and developmental disabilities under which the county board agrees to pay the nonfederal share of medicaid expenditures for one or more home and community-based services that the county board is not otherwise required by division (A)(1), (2), or (3) of this section to pay and that are provided to an individual the county board determines under section 5126.041 of the Revised Code is eligible for county board services. The agreement shall specify which home and community-based services the agreement covers. The county board shall pay the nonfederal share of medicaid expenditures for the home and community-based services that the agreement covers as long as the agreement is in effect.

~~Sec. 5126.057 5126.0511. (A) A county board of mental retardation and developmental disabilities that has medicaid local administrative authority under division (A) of section 5126.055 of the Revised Code for home and community-based services shall pay the nonfederal share of medicaid expenditures for such services provided to an individual with mental retardation or other developmental disability who the county board determines under section 5126.041 of the Revised Code is eligible for county board services unless division (B)(2) or (3) of section 5123.047 of the Revised Code requires the department of mental retardation and developmental disabilities to pay the nonfederal share.~~

~~A county board that provides medicaid case management services shall pay the nonfederal share of medicaid expenditures for such services provided to an individual with mental retardation or other developmental disability who the county board determines under section 5126.041 of the Revised Code is eligible for county board services.~~

~~(B) A county board of mental retardation and developmental disabilities may use the following funds to pay the nonfederal share of the services medicaid expenditures that the county board is required by ~~division (A)~~ sections 5126.059 and 5126.0510 of this section the Revised Code to pay:~~

~~(1) To the extent consistent with the levy that generated the taxes, the following taxes:~~

~~(a) Taxes levied pursuant to division (L) of section 5705.19 of the Revised Code and section 5705.222 of the Revised Code;~~

~~(b) Taxes levied under section 5705.191 of the Revised Code that the board of county commissioners allocates to the county board ~~to pay the nonfederal share of the services.~~~~

~~(2) Funds that the department of mental retardation and developmental disabilities distributes to the county board under sections 5126.11, ~~5126.12, 5126.15, and~~ 5126.18, ~~and 5126.44~~ of the Revised Code;~~

~~(3) Earned federal revenue funds the county board receives for medicaid services the county board provides pursuant to the county board's valid medicaid provider agreement;~~

~~(4) Funds that the department of mental retardation and developmental disabilities distributes to the county board as subsidy payments;~~

~~(5) In the case of medicaid expenditures for home and community-based services, funds allocated to or otherwise made available for the county board under section 5123.0416 of the Revised Code to pay the nonfederal share of such medicaid expenditures.~~

~~(C) If by December 31, 2001, the United States secretary of health and human services approves at least five hundred more slots for home and community based services for calendar year 2002 than were available for calendar year 2001, each county board shall provide, by the last day of calendar year 2001, assurances to the department of mental retardation and developmental disabilities that the county board will have for calendar year 2002 at least one-third of the value of one-half, effective mill levied in the county the preceding year available to pay the nonfederal share of the services that the county board is required by division (A) of this section to pay.~~

~~If by December 31, 2002, the United States secretary approves at least five hundred more slots for home and community based services for~~

~~calendar year 2003 than were available for calendar year 2002, each county board shall provide, by the last day of calendar year 2002, assurances to the department that the county board will have for calendar year 2003 at least two-thirds of the value of one-half, effective mill levied in the county the preceding year available to pay the nonfederal share of the services that the county board is required by division (A) of this section to pay.~~

~~If by December 31, 2003, the United States secretary approves at least five hundred more slots for home and community based services for calendar year 2004 than were available for calendar year 2003, each county board shall provide, by the last day of calendar year 2003 and each calendar year thereafter, assurances to the department that the county board will have for calendar year 2004 and each calendar year thereafter at least the value of one-half, effective mill levied in the county the preceding year available to pay the nonfederal share of the services that the county board is required by division (A) of this section to pay.~~

~~(D)~~ Each year, each county board shall adopt a resolution specifying the amount of funds it will use in the next year to pay the nonfederal share of the services ~~medicaid expenditures~~ that the county board is required by division (A) of this section sections 5126.059 and 5126.0510 of the Revised Code to pay. The amount specified shall be adequate to assure that the services for which the medicaid expenditures are made will be available in the county in a manner that conforms to all applicable state and federal laws. A county board shall state in its resolution that the payment of the nonfederal share represents an ongoing financial commitment of the county board. A county board shall adopt the resolution in time for the county auditor to make the determination required by division ~~(E)~~(C) of this section.

~~(E)~~(C) Each year, a county auditor shall determine whether the amount of funds a county board specifies in the resolution it adopts under division ~~(D)~~(B) of this section will be available in the following year for the county board to pay the nonfederal share of the services ~~medicaid expenditures~~ that the county board is required by division (A) of this section sections 5126.059 and 5126.0510 of the Revised Code to pay. The county auditor shall make the determination not later than the last day of the year before the year in which the funds are to be used.

Sec. 5126.0512. (A) As used in this section, "medicaid waiver component" means a medicaid waiver component as defined in section 5111.85 of the Revised Code under which home and community-based services are provided.

(B) Effective July 1, 2007, each county board of mental retardation and

developmental disabilities shall ensure, for each medicaid waiver component, that the number of individuals eligible under section 5126.041 of the Revised Code for services from the county board who are enrolled in a medicaid waiver component is no less than the sum of the following:

(1) The number of individuals eligible for services from the county board who are enrolled in the medicaid waiver component on June 30, 2007;

(2) The number of medicaid waiver component slots the county board requested before July 1, 2007, that were assigned to the county board before that date but in which no individual was enrolled before that date.

(C) An individual enrolled in a medicaid waiver component after March 1, 2007, due to an emergency reserve capacity waiver assignment shall not be counted in determining the number of individuals a county board must ensure under division (B) of this section are enrolled in a medicaid waiver component.

(D) An individual who is enrolled in a medicaid waiver component to comply with the terms of the consent order filed March 5, 2007, in *Martin v. Strickland*, Case No. 89-CV-00362, in the United States district court for the southern district of Ohio, eastern division, shall be excluded in determining whether a county board has complied with division (B) of this section.

(E) A county board shall make as many requests for individuals to be enrolled in a medicaid waiver component as necessary for the county board to comply with division (B) of this section.

Sec. 5126.06. (A) Except as provided in division (B) of this section ~~and section 5126.036 of the Revised Code~~, any person who has a complaint involving any of the programs, services, policies, or administrative practices of a county board of mental retardation and developmental disabilities or any of the entities under contract with the county board, may file a complaint with the board. Prior to commencing a civil action regarding the complaint, a person shall attempt to have the complaint resolved through the administrative resolution process established in the rules adopted under section 5123.043 of the Revised Code. After exhausting the administrative resolution process, the person may commence a civil action if the complaint is not settled to the person's satisfaction.

(B) An employee of a county board may not file under this section a complaint related to the terms and conditions of employment of the employee.

Sec. 5126.12. (A) As used in this section:

(1) "Approved school age class" means a class operated by a county board of mental retardation and developmental disabilities and funded by the department of education under section 3317.20 of the Revised Code.

(2) "Approved preschool unit" means a class or unit operated by a county board of mental retardation and developmental disabilities and approved under division (B) of section 3317.05 of the Revised Code.

(3) "Active treatment" means a continuous treatment program, which includes aggressive, consistent implementation of a program of specialized and generic training, treatment, health services, and related services, that is directed toward the acquisition of behaviors necessary for an individual with mental retardation or other developmental disability to function with as much self-determination and independence as possible and toward the prevention of deceleration, regression, or loss of current optimal functional status.

(4) "Eligible for active treatment" means that an individual with mental retardation or other developmental disability resides in an intermediate care facility for the mentally retarded certified under Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C. 1396, as amended; resides in a state institution operated by the department of mental retardation and developmental disabilities; or is enrolled in home and community-based services.

(5) "Traditional adult services" means vocational and nonvocational activities conducted within a sheltered workshop or adult activity center or supportive home services.

(B) Each county board of mental retardation and developmental disabilities shall certify to the director of mental retardation and developmental disabilities all of the following:

(1) On or before the fifteenth day of October, the average daily membership for the first full week of programs and services during October receiving:

(a) Early childhood services provided pursuant to section 5126.05 of the Revised Code for children who are less than three years of age on the thirtieth day of September of the academic year;

(b) Special education for ~~handicapped~~ children with disabilities in approved school age classes;

(c) Adult services for persons sixteen years of age and older operated pursuant to section 5126.05 and division (B) of section 5126.051 of the Revised Code. Separate counts shall be made for the following:

(i) Persons enrolled in traditional adult services who are eligible for but not enrolled in active treatment;

(ii) Persons enrolled in traditional adult services who are eligible for and enrolled in active treatment;

(iii) Persons enrolled in traditional adult services but who are not

eligible for active treatment;

(iv) Persons participating in community employment services. To be counted as participating in community employment services, a person must have spent an average of no less than ten hours per week in that employment during the preceding six months.

(d) Other programs in the county for individuals with mental retardation and developmental disabilities that have been approved for payment of subsidy by the department of mental retardation and developmental disabilities.

The membership in each such program and service in the county shall be reported on forms prescribed by the department of mental retardation and developmental disabilities.

The department of mental retardation and developmental disabilities shall adopt rules defining full-time equivalent enrollees and for determining the average daily membership therefrom, except that certification of average daily membership in approved school age classes shall be in accordance with rules adopted by the state board of education. The average daily membership figure shall be determined by dividing the amount representing the sum of the number of enrollees in each program or service in the week for which the certification is made by the number of days the program or service was offered in that week. No enrollee may be counted in average daily membership for more than one program or service.

(2) By the fifteenth day of December, the number of children enrolled in approved preschool units on the first day of December;

(3) On or before the thirtieth day of ~~March~~ April, an itemized report of all income and operating expenditures for the immediately preceding calendar year, in the format specified by the department of mental retardation and developmental disabilities;

~~(4) By the fifteenth day of February, a report of the total annual cost per enrollee for operation of programs and services in the preceding calendar year. The report shall include a grand total of all programs operated, the cost of the individual programs, and the sources of funds applied to each program.~~

~~(5) That each required certification and report is in accordance with rules established by the department of mental retardation and developmental disabilities and the state board of education for the operation and subsidization of the programs and services.~~

~~(C) To compute payments under this section to the board for the fiscal year, the department of mental retardation and developmental disabilities shall use the certification of average daily membership required by division~~

~~(B)(1) of this section exclusive of the average daily membership in any approved school age class and the number in any approved preschool unit.~~

~~(D) The department shall pay each county board for each fiscal year an amount equal to nine hundred fifty dollars times the certified number of persons who on the first day of December of the academic year are under three years of age and are not in an approved preschool unit. For persons who are at least age sixteen and are not in an approved school age class, the department shall pay each county board for each fiscal year the following amounts:~~

~~(1) One thousand dollars times the certified average daily membership of persons enrolled in traditional adult services who are eligible for but not enrolled in active treatment;~~

~~(2) One thousand two hundred dollars times the certified average daily membership of persons enrolled in traditional adult services who are eligible for and enrolled in active treatment;~~

~~(3) No less than one thousand five hundred dollars times the certified average daily membership of persons enrolled in traditional adult services but who are not eligible for active treatment;~~

~~(4) No less than one thousand five hundred dollars times the certified average daily membership of persons participating in community employment services.~~

~~(E) The department shall distribute this subsidy to county boards in quarterly installments of equal amounts. The installments shall be made not later than the thirtieth day of September, the thirty first day of December, the thirty first day of March, and the thirtieth day of June.~~

~~(F) The director of mental retardation and developmental disabilities shall make efforts to obtain increases in the subsidies for early childhood services and adult services so that the amount of the subsidies is equal to at least fifty per cent of the statewide average cost of those services minus any applicable federal reimbursements for those services. The director shall advise the director of budget and management of the need for any such increases when submitting the biennial appropriations request for the department.~~

~~(G) In determining the reimbursement of a county board for the provision of service and support administration, family support services, and other services required or approved by the director for which children three through twenty one years of age are eligible, the department shall include the average daily membership in approved school age or preschool units. The department, in accordance with this section and upon receipt and approval of the certification required by this section and any other~~

~~information it requires to enable it to determine a board's payments, shall pay the agency providing the specialized training the amounts payable under this section.~~

Sec. 5126.15. (A) A county board of mental retardation and developmental disabilities shall provide service and support administration to each individual three years of age or older who is eligible for service and support administration if the individual requests, or a person on the individual's behalf requests, service and support administration. A board shall provide service and support administration to each individual receiving home and community-based services. A board may provide, in accordance with the service coordination requirements of 34 C.F.R. 303.23, service and support administration to an individual under three years of age eligible for early intervention services under 34 C.F.R. part 303. A board may provide service and support administration to an individual who is not eligible for other services of the board. Service and support administration shall be provided in accordance with rules adopted under section 5126.08 of the Revised Code.

A board may provide service and support administration by directly employing service and support administrators or by contracting with entities for the performance of service and support administration. Individuals employed or under contract as service and support administrators shall not be in the same collective bargaining unit as employees who perform duties that are not administrative.

Individuals employed by a board as service and support administrators shall not be assigned responsibilities for implementing other services for individuals and shall not be employed by or serve in a decision-making or policy-making capacity for any other entity that provides programs or services to individuals with mental retardation or developmental disabilities. An individual employed as a conditional status service and support administrator shall perform the duties of service and support administration only under the supervision of a management employee who is a service and support administration supervisor.

(B) The individuals employed by or under contract with a board to provide service and support administration shall do all of the following:

- (1) Establish an individual's eligibility for the services of the county board of mental retardation and developmental disabilities;
- (2) Assess individual needs for services;
- (3) Develop individual service plans with the active participation of the individual to be served, other persons selected by the individual, and, when applicable, the provider selected by the individual, and recommend the plans

for approval by the department of mental retardation and developmental disabilities when services included in the plans are funded through medicaid;

(4) Establish budgets for services based on the individual's assessed needs and preferred ways of meeting those needs;

(5) Assist individuals in making selections from among the providers they have chosen;

(6) Ensure that services are effectively coordinated and provided by appropriate providers;

(7) Establish and implement an ongoing system of monitoring the implementation of individual service plans to achieve consistent implementation and the desired outcomes for the individual;

(8) Perform quality assurance reviews as a distinct function of service and support administration;

(9) Incorporate the results of quality assurance reviews and identified trends and patterns of unusual incidents and major unusual incidents into amendments of an individual's service plan for the purpose of improving and enhancing the quality and appropriateness of services rendered to the individual;

(10) Ensure that each individual receiving services has a designated person who is responsible on a continuing basis for providing the individual with representation, advocacy, advice, and assistance related to the day-to-day coordination of services in accordance with the individual's service plan. The service and support administrator shall give the individual receiving services an opportunity to designate the person to provide daily representation. If the individual declines to make a designation, the administrator shall make the designation. In either case, the individual receiving services may change at any time the person designated to provide daily representation.

~~(C) Subject to available funds, the department of mental retardation and developmental disabilities shall pay a county board an annual subsidy for service and support administration. The amount of the subsidy shall be equal to the greater of twenty thousand dollars or two hundred dollars times the board's certified average daily membership. The payments shall be made in quarterly installments of equal amounts, which shall be made no later than the thirtieth day of September, the thirty first day of December, the thirty first day of March, and the thirtieth day of June. Funds received shall be used solely for service and support administration.~~

Sec. 5126.18. (A) As used in this section:

(1) "County board" means a county board of mental retardation and

developmental disabilities.

(2) Notwithstanding section 5126.01 of the Revised Code, "adult services" means the following services, as they are identified on individual information forms submitted by county boards to the department of mental retardation and developmental disabilities ~~for the purpose of subsidies paid to county boards under section 5126.12 of the Revised Code~~, provided to an individual with mental retardation or other developmental disability who is at least twenty-two years of age:

- (a) Assessment;
- (b) Home service;
- (c) Adult program;
- (d) Community employment services;
- (e) Retirement.

(3) "Adult services enrollment" means a county board's average daily membership in adult services, exclusive of such services provided to individuals served solely through service and support administration provided pursuant to section 5126.15 of the Revised Code or family support services provided pursuant to section 5126.11 of the Revised Code.

(4) "Taxable value" means the taxable value of a county board certified under division (B)(1) of this section.

(5) "Per-mill yield" of a county board means the quotient obtained by dividing (a) the taxable value of the county board by (b) one thousand.

(6) "Local adult services cost" means a county board's expenditures for adult services, excluding all federal and state reimbursements and subsidy allocations received by such boards and expended for such services, as certified under section 5126.12 of the Revised Code.

(7) "Statewide average millage" means one thousand multiplied by the quotient obtained by dividing (a) the total of the local adult services costs of all county boards by (b) the total of the taxable values of all county boards.

(8) "County yield" of a county board means the product obtained by multiplying (a) the statewide average millage by (b) the per-mill yield of the county board.

(9) "County yield per enrollee" of a county board means the quotient obtained by dividing (a) the county yield of the county board by (b) the adult enrollment of the county board.

(10) "Statewide yield per enrollee" means the quotient obtained by dividing (a) the sum of the county yields of all county boards by (b) the sum of the adult enrollments of all county boards.

(11) "Local tax effort for adult services" of a county board means one thousand multiplied by the quotient obtained by dividing (a) the local adult

services cost of the county board by (b) the taxable value of the county board.

(12) "Funding percentage" for a fiscal year means the percentage that the amount appropriated to the department for the purpose of making payments under this section in the fiscal year is of the amount computed under division (C)(3) of this section for the fiscal year.

(13) "Funding-adjusted required millage" for a fiscal year means the statewide average millage multiplied by the funding percentage for that fiscal year.

(B)(1) On the request of the director of mental retardation and developmental disabilities, the tax commissioner shall provide to the department of mental retardation and developmental disabilities information specifying the taxable value of property on each county's tax list of real and public utility property and tax list of personal property for the most recent tax year for which such information is available. The director may request any other tax information necessary for the purposes of this section.

(2) On the request of the director, each county board shall report the county board's adult services enrollment and local adult services cost.

(C) Each year, the department of mental retardation and developmental disabilities shall compute the following:

(1) For each county board, the amount, if any, by which the statewide yield per enrollee exceeds the county yield per enrollee;

(2) For each county board, the amount of any excess computed under division (C)(1) of this section multiplied by the adult services enrollment of the county board;

(3) The sum of the amounts computed under division (C)(2) of this section for all county boards.

(D) From money appropriated for the purpose, the department shall provide for payment to each county board of the amount computed for that county board under division (C)(2) of this section, subject to any reduction or adjustment under division (E), (F), or (G) of this section. The department shall make the payments in quarterly installments of equal amounts. The installments shall be made not later than the thirtieth day of September, thirty-first day of December, thirty-first day of March, and thirtieth day of June.

(E) If a county board's local tax effort for adult services is less than the funding-adjusted required millage, the director shall reduce the amount of payment otherwise computed under division (C)(2) of this section so that the amount paid, after the reduction, is the same percentage of the amount computed under division (C)(2) of this section as the county board's local

tax effort for adult services is of the funding-adjusted required millage.

If the director reduces the amount of a county board's payment under this division, the department, not later than the fifteenth day of July, shall notify the county board of the reduction and the amount of the reduction. The notice shall include a statement that the county board may request to be exempted from the reduction by filing a request with the director, in the manner and form prescribed by the director, within twenty-one days after such notification is issued. The board may present evidence of its attempt to obtain passage of levies or any other extenuating circumstances the board considers relevant. If the county board requests a hearing before the director to present such evidence, the director shall conduct a hearing on the request unless the director exempts the board from the reduction on the basis of the evidence presented in the request filed by the board. Upon receiving a properly and timely filed request for exemption, but not later than the thirty-first day of August, the director shall determine whether the county board shall be exempted from all or a part of the reduction. The director may exempt the board from all or part of the reduction if the director finds that the board has made good faith efforts to obtain passage of tax levies or that there are extenuating circumstances.

(F) If a payment is reduced under division (E) of this section and the director does not exempt the county board from the reduction, the amount of the reduction shall be apportioned among all county boards entitled to payments under this section for which payments were not so reduced. The amount apportioned to each county board shall be proportionate to the amount of the board's payment as computed under division (C)(2) of this section.

(G) If, for any fiscal year, the amount appropriated to the department for the purpose of this section is less than the amount computed under division (C)(3) of this section for the fiscal year, the department shall adjust the amount of each payment as computed under divisions (C)(2), (E), and (F) of this section by multiplying that amount by the funding percentage.

(H) The payments authorized by this section are supplemental to all other funds that may be received by a county board. A county board shall use the payments solely to pay the nonfederal share of medicaid expenditures that ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code ~~requires~~ require the county board to pay.

Sec. 5126.19. (A) The director of mental retardation and developmental disabilities may grant temporary funding from the community mental retardation and developmental disabilities trust fund based on allocations to county boards of mental retardation and developmental disabilities. The

director may distribute all or part of the funding directly to a county board, the persons who provide the services for which the funding is granted, or persons with mental retardation or developmental disabilities who are to receive those services.

(B) Funding granted under division (A) of this section shall be granted according to the availability of moneys in the fund and priorities established by the director. Funding may be granted for any of the following purposes:

(1) Behavioral or short-term interventions for persons with mental retardation or developmental disabilities that assist them in remaining in the community by preventing institutionalization;

(2) Emergency respite care services, as defined in section 5126.11 of the Revised Code;

(3) Family support services provided under section 5126.11 of the Revised Code;

(4) Supported living, as defined in section 5126.01 of the Revised Code;

(5) Staff training for county board employees, employees of providers of residential services as defined in section 5126.01 of the Revised Code, and other personnel under contract with a county board, to provide the staff with necessary training in serving mentally retarded or developmentally disabled persons in the community;

(6) Short-term provision of early childhood services provided under section 5126.05, adult services provided under sections 5126.05 and 5126.051, and service and support administration provided under section 5126.15 of the Revised Code, when local moneys are insufficient to meet the need for such services due to the successive failure within a two-year period of three or more proposed levies for the services;

(7) Contracts with providers of residential services to maintain persons with mental retardation and developmental disabilities in their programs and avoid institutionalization.

(C) If the trust fund contains more than ten million dollars on the first day of July the director shall use ~~one million dollars for payments under section 5126.12 of the Revised Code,~~ one million dollars for payments under section 5126.18 of the Revised Code, ~~and~~ two million dollars for ~~payments under section 5126.44 of the Revised Code~~ subsidies to county boards for supported living, and one million dollars for subsidies to county boards for early childhood services and adult services provided under section 5126.05 of the Revised Code. Distributions of funds under this division shall be made prior to August 31 of the state fiscal year in which the funds are available. The funds shall be allocated to a county board in an amount equal to the same percentage of the total amount allocated to the

county board the immediately preceding state fiscal year.

(D) In addition to making grants under division (A) of this section, the director may use money available in the trust fund for the same purposes that rules adopted under section 5123.0413 of the Revised Code provide for money in the state MR/DD risk fund and the state insurance against MR/DD risk fund, both created under that section, to be used.

Sec. 5126.25. (A) The director of mental retardation and developmental disabilities shall adopt rules in accordance with Chapter 119. of the Revised Code establishing uniform standards and procedures for the certification of persons for employment by county boards of mental retardation and developmental disabilities as superintendents, management employees, and professional employees and uniform standards and procedures for the registration of persons for employment by county boards as registered service employees. As part of the rules, the director may establish continuing education and professional training requirements for renewal of certificates and evidence of registration and shall establish such requirements for renewal of an investigative agent certificate. In the rules, the director shall establish certification standards for employment in the position of investigative agent that require an individual to have or obtain no less than an associate degree from an accredited college or university or have or obtain comparable experience or training. The director shall not adopt rules that require any service employee to have or obtain a bachelor's or higher degree.

The director shall adopt the rules in a manner that provides for the issuance of certificates and evidence of registration according to categories, levels, and grades. The rules shall describe each category, level, and grade.

The rules adopted under this division shall apply to persons employed or seeking employment in a position that includes directly providing, or supervising persons who directly provide, services or instruction to or on behalf of individuals with mental retardation or developmental disabilities, except that the rules shall not apply to persons who hold a valid license issued under Chapter 3319. of the Revised Code and perform no duties other than teaching or supervision of a teaching program or persons who hold a valid license or certificate issued under Title XLVII of the Revised Code and perform only those duties governed by the license or certificate. The rules shall specify the positions that require certification or registration. The rules shall specify that the position of investigative agent requires certification.

(B) The director shall adopt rules in accordance with Chapter 119. of the Revised Code establishing standards for approval of courses of study to

prepare persons to meet certification requirements. The director shall approve courses of study meeting the standards and provide for the inspection of the courses to ensure the maintenance of satisfactory training procedures. The director shall approve courses of study only if given by a state university or college as defined in section 3345.32 of the Revised Code, a state university or college of another state, or an institution that has received a certificate of authorization to confer degrees from the board of regents pursuant to Chapter 1713. of the Revised Code or from a comparable agency of another state.

(C) Each applicant for a certificate for employment or evidence of registration for employment by a county board shall apply to the department of mental retardation and developmental disabilities on forms that the director of the department shall prescribe and provide. The application shall be accompanied by the application fee established in rules adopted under this section.

(D) The director shall issue a certificate for employment to each applicant who meets the standards for certification established under this section and shall issue evidence of registration for employment to each applicant who meets the standards for registration established under this section. Each certificate or evidence of registration shall state the category, level, and grade for which it is issued.

The director shall issue, renew, deny, suspend, or revoke certificates and evidence of registration in accordance with rules adopted under this section. The director shall deny, suspend, or revoke a certificate or evidence of registration if the director finds, pursuant to an adjudication conducted in accordance with Chapter 119. of the Revised Code, that the applicant for or holder of the certificate or evidence of registration is guilty of intemperate, immoral, or other conduct unbecoming to the applicant's or holder's position, or is guilty of incompetence or negligence within the scope of the applicant's or holder's duties. The director shall deny or revoke a certificate or evidence of registration if the director finds, pursuant to an adjudication conducted in accordance with Chapter 119. of the Revised Code, that the applicant for or holder of the certificate or evidence of registration has been convicted of or pleaded guilty to any of the offenses described in division (E) of section 5126.28 of the Revised Code, unless the individual meets standards for rehabilitation that the director establishes in the rules adopted under that section. Evidence supporting such allegations shall be presented to the director in writing and the director shall provide prompt notice of the allegations to the person who is the subject of the allegations. A denial, suspension, or revocation may be appealed in accordance with procedures

the director shall establish in the rules adopted under this section.

(E)(1) A person holding a valid certificate under this section on the effective date of any rules adopted under this section that increase certification standards shall have such period as the rules prescribe, but not less than one year after the effective date of the rules, to meet the new certification standards.

A person who is registered under this section on the effective date of any rule that changes the standards adopted under this section shall have such period as the rules prescribe, but not less than one year, to meet the new registration standards.

(2) If an applicant for a certificate for employment has not completed the courses of instruction necessary to meet the department's standards for certification, the department shall inform the applicant of the courses the applicant must successfully complete to meet the standards and shall specify the time within which the applicant must complete the courses. The department shall grant the applicant at least one year to complete the courses and shall not require the applicant to complete more than four courses in any one year. The applicant is not subject to any changes regarding the courses required for certification that are made after the department informs the applicant of the courses the applicant must complete, unless the applicant does not successfully complete the courses within the time specified by the department.

(F) A person who holds a certificate or evidence of registration, other than one designated as temporary, is qualified to be employed according to that certificate or evidence of registration by any county board.

(G) The director shall monitor county boards to ensure that their employees who must be certified or registered are appropriately certified or registered and performing those functions they are authorized to perform under their certificate or evidence of registration.

(H) A county board superintendent or the superintendent's designee may certify to the director that county board employees who are required to meet continuing education or professional training requirements as a condition of renewal of certificates or evidence of registration have met the requirements. The superintendent or the superintendent's designee shall maintain in appropriate personnel files evidence acceptable to the director that the employees have met the requirements and permit representatives of the department access to the evidence on request.

(I) All fees collected pursuant to this section shall be deposited in the state treasury to the credit of the employee certification and registration program fee fund, which is hereby created under section 5123.033 of the

~~Revised Code. Money credited to the fund shall be used solely for the operation of the certification and registration program established under this section and for providing continuing training to county board employees.~~

(J) Employees of entities that contract with county boards of mental retardation and developmental disabilities to operate programs and services for individuals with mental retardation and developmental disabilities are subject to the certification and registration requirements established under section 5123.082 of the Revised Code.

Sec. 5126.40. (A) Sections 5126.40 to 5126.47 of the Revised Code do not apply to medicaid-funded supported living.

~~(B) As used in this section and sections 5126.41 to 5126.47 of the Revised Code, "provider" means a person or government entity certified by the department director of mental retardation and developmental disabilities to provide supported living for individuals with mental retardation and developmental disabilities.~~

~~(B) This division is in effect until July 1, 1995. By adoption of a resolution by affirmative vote of a majority of its members, a county board of mental retardation and developmental disabilities shall have authority to plan and develop supported living for individuals with mental retardation and developmental disabilities who are residents of the county and, as provided in sections 5126.41 to 5126.47 of the Revised Code, contract with providers and enter into shared funding arrangements. The board's authority under this division is effective on the department's receipt of the resolution.~~

(C) On and after July 1, 1995, each county board shall plan and develop supported living for individuals with mental retardation and developmental disabilities who are residents of the county in accordance with sections 5126.41 to 5126.47 of the Revised Code.

Sec. 5126.42. (A) A county board of mental retardation and developmental disabilities shall establish an advisory council composed of board members or employees of the board, providers, individuals receiving supported living, and advocates for individuals receiving supported living to provide on-going communication among all persons concerned with supported living.

(B) The board shall develop procedures for the resolution of grievances between the board and providers or between the board and an entity with which it has a shared funding agreement.

(C) The board shall develop and implement a provider selection system. Each system shall enable an individual to choose to continue receiving supported living from the same providers, to select additional providers, or to choose alternative providers. Annually, the board shall review its provider

selection system to determine whether it has been implemented in a manner that allows individuals fair and equitable access to providers.

In developing a provider selection system, the county board shall create a pool of providers for individuals to use in choosing their providers of supported living. The pool shall be created by placing in the pool all providers on record with the board or by placing in the pool all providers approved by the board through soliciting requests for proposals for supported living contracts. In either case, only providers that are certified by the ~~department~~ director of mental retardation and developmental disabilities ~~and in compliance with the quality assurance standards established in rules adopted by the department~~ may be placed in the pool.

If the board places all providers on record in the pool, the board shall review the pool at least annually to determine whether each provider has continued interest in being a provider and has maintained its certification by the department. At any time, an interested and certified provider may make a request to the board that it be added to the pool, and the board shall add the provider to the pool not later than seven days after receiving the request.

If the board solicits requests for proposals for inclusion of providers in the pool, the board shall develop standards for selecting the providers to be included. Requests for proposals shall be solicited at least annually. When requests are solicited, the board shall cause legal notices to be published at least once each week for two consecutive weeks in a newspaper with general circulation within the county. The board's formal request for proposals shall include a description of any applicable contract terms, the standards that are used to select providers for inclusion in the pool, and the process the board uses to resolve disputes arising from the selection process. The board shall accept requests from any entity interested in being a provider of supported living for individuals served by the board. Requests shall be approved or denied according to the standards developed by the board. Providers that previously have been placed in the pool are not required to resubmit a request for proposal to be included in the pool, unless the board's standards have been changed.

In assisting an individual in choosing a provider, the county board shall provide the individual with uniform and consistent information pertaining to each provider in the pool, ~~including the provider evaluations conducted under section 5126.431 of the Revised Code on and after July 1, 1995.~~ An individual may choose to receive supported living from a provider that is not included in the pool, if the provider is certified by the ~~department~~ director of mental retardation and developmental disabilities ~~and in compliance with the quality assurance standards established in rules adopted by the~~

~~department.~~

Sec. 5126.43. (A) After receiving notice from the department of mental retardation and developmental disabilities of the amount of state funds to be distributed to it ~~under section 5126.44 of the Revised Code for planning, developing, contracting for, and providing supported living~~, the county board of mental retardation and developmental disabilities shall arrange for supported living on behalf of and with the consent of individuals based on their individual service plans developed under section 5126.41 of the Revised Code. With the state distribution and any other money designated by the board for supported living, the board shall arrange for supported living in one or more of the following ways:

(1) By contracting under section 5126.45 of the Revised Code with providers selected by the individual to be served;

(2) By entering into shared funding agreements with state agencies, local public agencies, or political subdivisions at rates negotiated by the board;

(3) By providing direct payment or vouchers to be used to purchase supported living, pursuant to a written contract in an amount determined by the board, to the individual or a person providing the individual with protective services as defined in section 5123.55 of the Revised Code.

~~(B) When the board contracts for supported living on behalf of an individual, the~~ The board may contract arrange for supported living only with providers that are certified by the ~~department~~ director of mental retardation and developmental disabilities ~~and are in compliance with the quality assurance standards established in rules adopted by the department. The contract terms shall be as provided in section 5126.45 of the Revised Code.~~

When no certified provider is willing and able to provide supported living for an individual in accordance with the terms of the individual service plan for that individual, a county board may provide supported living directly; ~~if it complies with certification and quality assurance standards established by the department~~ is certified by the director of mental retardation and developmental disabilities to provide supported living.

A county board may, for a period not to exceed ninety days, contract for or provide supported living without meeting the requirements of this section for an individual it determines to be in emergency need of supported living. Thereafter, the individual shall choose providers in accordance with sections 5126.41 and 5126.42 of the Revised Code.

Sec. 5126.45. (A) A contract between a county board of mental retardation and developmental disabilities and a provider of supported living

shall be in writing and shall be based on the individual service plan developed by the individual under section 5126.41 of the Revised Code. The plan may be submitted as an addendum to the contract. An individual receiving services pursuant to a contract shall be considered a third-party beneficiary to the contract.

~~The board shall not contract with a provider to provide a residence to a person to whom the provider is providing other supported living services, unless one of the following applies:~~

~~(1) The provider is under contract with the board for both residence and services on July 17, 1990, and the contract is being renewed.~~

~~(2) The provider has a contract being transferred from the state to the county board under section 5126.451 of the Revised Code and the contract is being renewed.~~

~~(3) The provider lives in the residence and provides services to not more than three persons who reside in the residence at any one time.~~

~~(4) The provider is an association of family members related to two or more of the persons who reside in the residence and provides services to not more than four persons who reside in the residence at any one time.~~

(B) The contract shall be negotiated between the provider and the county board. The terms of the contract shall include at least the following:

(1) The contract period and conditions for renewal;

(2) The services to be provided pursuant to the individual service plan;

(3) The rights and responsibilities of all parties to the contract;

(4) The methods that will be used to evaluate the services delivered by the provider;

(5) Procedures for contract modification that ensure all parties affected by the modification are involved and agree;

(6) A process for resolving conflicts between individuals receiving services, the county board, and the provider, as applicable;

(7) Procedures for the retention of applicable records;

(8) Provisions for contract termination by any party involved that include requirements for an appropriate notice of intent to terminate the contract;

(9) Methods to be used to document services provided;

(10) Procedures for submitting reports required by the county board as a condition of receiving payment under the contract;

(11) The method and schedule the board will use to make payments to the provider and whether periodic payment adjustments will be made to the provider;

(12) Provisions for conducting fiscal reconciliations for payments made

through methods other than a fee-for-service arrangement.

(C) Payments to the provider under a supported living contract must be determined by the board to be reasonable in accordance with policies and procedures developed by the board. Goods or services provided without charge to the provider shall not be included as expenditures of the provider.

(D) The board shall establish procedures for reconciling expenditures and payments, other than those made under a fee-for-service arrangement, for the prior contract year when a contract is not renewed and shall reconcile expenditures and payments in accordance with these procedures.

(E) A provider or an entity with which the board has entered into a shared funding agreement may appeal a negotiated contract or proposed shared funding rate to the county board using the procedures established by the board under section 5126.42 of the Revised Code.

Sec. 5126.47. A county board of mental retardation and developmental disabilities ~~that has adopted a resolution under section 5126.40 of the Revised Code~~ may, pursuant to a resolution adopted by an affirmative vote of the majority of its members, establish, by agreement with one or more other county boards of mental retardation and developmental disabilities, a residential services consortium to jointly provide residential services and supported living. The agreement shall designate one board to assume the fiscal responsibilities for the consortium. The county auditor of the designated county shall establish a community mental retardation and developmental disabilities residential services fund for the consortium. Each board that is a member of the consortium shall cause to be deposited in the fund ~~all moneys distributed to it by the department of mental retardation and developmental disabilities under section 5126.44 of the Revised Code and any other~~ state or federal money received for community residential services the county board has agreed to contribute to the consortium.

Sec. 5139.43. (A) The department of youth services shall operate a felony delinquent care and custody program that shall be operated in accordance with the formula developed pursuant to section 5139.41 of the Revised Code, subject to the conditions specified in this section.

(B)(1) Each juvenile court shall use the moneys disbursed to it by the department of youth services pursuant to division (B) of section 5139.41 of the Revised Code in accordance with the applicable provisions of division (B)(2) of this section and shall transmit the moneys to the county treasurer for deposit in accordance with this division. The county treasurer shall create in the county treasury a fund that shall be known as the felony delinquent care and custody fund and shall deposit in that fund the moneys disbursed to the juvenile court pursuant to division (B) of section 5139.41 of

the Revised Code. The county treasurer also shall deposit into that fund the state subsidy funds granted to the county pursuant to section 5139.34 of the Revised Code. The moneys disbursed to the juvenile court pursuant to division (B) of section 5139.41 of the Revised Code and deposited pursuant to this division in the felony delinquent care and custody fund shall not be commingled with any other county funds except state subsidy funds granted to the county pursuant to section 5139.34 of the Revised Code; shall not be used for any capital construction projects; upon an order of the juvenile court and subject to appropriation by the board of county commissioners, shall be disbursed to the juvenile court for use in accordance with the applicable provisions of division (B)(2) of this section; shall not revert to the county general fund at the end of any fiscal year; and shall carry over in the felony delinquent care and custody fund from the end of any fiscal year to the next fiscal year. At the end of each fiscal year, beginning June 30, 2008, the balance in the felony delinquent care and custody fund in any county shall not exceed the total moneys allocated to the county pursuant to sections 5139.34 and 5139.41 of the Revised Code during the previous fiscal year, unless that county has applied for and been granted an exemption by the director of youth services. The department shall withhold from future payments to a county an amount equal to any moneys in the felony delinquent care and custody fund of the county that exceed the total moneys allocated pursuant to those sections to the county during the preceding fiscal year and shall reallocate the withheld amount. The department shall adopt rules for the withholding and reallocation of moneys disbursed under sections 5139.34 and 5139.41 of the Revised Code and for the criteria and process for a county to obtain an exemption from the withholding requirement. The moneys disbursed to the juvenile court pursuant to division (B) of section 5139.41 of the Revised Code and deposited pursuant to this division in the felony delinquent care and custody fund shall be in addition to, and shall not be used to reduce, any usual annual increase in county funding that the juvenile court is eligible to receive or the current level of county funding of the juvenile court and of any programs or services for delinquent children, unruly children, or juvenile traffic offenders.

(2)(a) A county and the juvenile court that serves the county shall use the moneys in its felony delinquent care and custody fund in accordance with rules that the department of youth services adopts pursuant to division (D) of section 5139.04 of the Revised Code and as follows:

(i) The moneys in the fund that represent state subsidy funds granted to the county pursuant to section 5139.34 of the Revised Code shall be used to aid in the support of prevention, early intervention, diversion, treatment, and

rehabilitation programs that are provided for alleged or adjudicated unruly children or delinquent children or for children who are at risk of becoming unruly children or delinquent children. The county shall not use for capital improvements more than fifteen per cent of the moneys in the fund that represent the applicable annual grant of those state subsidy funds.

(ii) The moneys in the fund that were disbursed to the juvenile court pursuant to division (B) of section 5139.41 of the Revised Code and deposited pursuant to division (B)(1) of this section in the fund shall be used to provide programs and services for the training, treatment, or rehabilitation of felony delinquents that are alternatives to their commitment to the department, including, but not limited to, community residential programs, day treatment centers, services within the home, and electronic monitoring, and shall be used in connection with training, treatment, rehabilitation, early intervention, or other programs or services for any delinquent child, unruly child, or juvenile traffic offender who is under the jurisdiction of the juvenile court.

The fund also may be used for prevention, early intervention, diversion, treatment, and rehabilitation programs that are provided for alleged or adjudicated unruly children, delinquent children, or juvenile traffic offenders or for children who are at risk of becoming unruly children, delinquent children, or juvenile traffic offenders. Consistent with division (B)(1) of this section, a county and the juvenile court of a county shall not use any of those moneys for capital construction projects.

(iii) The county and the juvenile court that serves the county may not use moneys in the fund for the provision of care and services for children, including, but not limited to, care and services in a detention facility, in another facility, or in out-of-home placement, unless the minimum standards that apply to the care and services and that the department prescribes in rules adopted pursuant to division (D) of section 5139.04 of the Revised Code have been satisfied.

(b) Each juvenile court shall comply with division (B)(3)(d) of this section as implemented by the department.

(3) In accordance with rules adopted by the department pursuant to division (D) of section 5139.04 of the Revised Code, each juvenile court and the county served by that juvenile court shall do all of the following that apply:

(a) The juvenile court shall prepare an annual grant agreement and application for funding that satisfies the requirements of this section and section 5139.34 of the Revised Code and that pertains to the use, upon an order of the juvenile court and subject to appropriation by the board of

county commissioners, of the moneys in its felony delinquent care and custody fund for specified programs, care, and services as described in division (B)(2)(a) of this section, shall submit that agreement and application to the county family and children first council, the regional family and children first council, or the local intersystem services to children cluster as described in sections 121.37 and 121.38 of the Revised Code, whichever is applicable, and shall file that agreement and application with the department for its approval. The annual grant agreement and application for funding shall include a method of ensuring equal access for minority youth to the programs, care, and services specified in it.

The department may approve an annual grant agreement and application for funding only if the juvenile court involved has complied with the preparation, submission, and filing requirements described in division (B)(3)(a) of this section. If the juvenile court complies with those requirements and the department approves that agreement and application, the juvenile court and the county served by the juvenile court may expend the state subsidy funds granted to the county pursuant to section 5139.34 of the Revised Code only in accordance with division (B)(2)(a) of this section, the rules pertaining to state subsidy funds that the department adopts pursuant to division (D) of section 5139.04 of the Revised Code, and the approved agreement and application.

(b) By the thirty-first day of August of each year, the juvenile court shall file with the department a report that contains all of the statistical and other information for each month of the prior state fiscal year. If the juvenile court fails to file the report required by division (B)(3)(b) of this section by the thirty-first day of August of any year, the department shall not disburse any payment of state subsidy funds to which the county otherwise is entitled pursuant to section 5139.34 of the Revised Code and shall not disburse pursuant to division (B) of section 5139.41 of the Revised Code the applicable allocation until the juvenile court fully complies with division (B)(3)(b) of this section.

(c) If the department requires the juvenile court to prepare monthly statistical reports and to submit the reports on forms provided by the department, the juvenile court shall file those reports with the department on the forms so provided. If the juvenile court fails to prepare and submit those monthly statistical reports within the department's timelines, the department shall not disburse any payment of state subsidy funds to which the county otherwise is entitled pursuant to section 5139.34 of the Revised Code and shall not disburse pursuant to division (B) of section 5139.41 of the Revised Code the applicable allocation until the juvenile court fully complies with

division (B)(3)(c) of this section. If the juvenile court fails to prepare and submit those monthly statistical reports within one hundred eighty days of the date the department establishes for their submission, the department shall not disburse any payment of state subsidy funds to which the county otherwise is entitled pursuant to section 5139.34 of the Revised Code and shall not disburse pursuant to division (B) of section 5139.41 of the Revised Code the applicable allocation, and the state subsidy funds and the remainder of the applicable allocation shall revert to the department. If a juvenile court states in a monthly statistical report that the juvenile court adjudicated within a state fiscal year five hundred or more children to be delinquent children for committing acts that would be felonies if committed by adults and if the department determines that the data in the report may be inaccurate, the juvenile court shall have an independent auditor or other qualified entity certify the accuracy of the data on a date determined by the department.

(d) If the department requires the juvenile court and the county to participate in a fiscal monitoring program or another monitoring program that is conducted by the department to ensure compliance by the juvenile court and the county with division (B) of this section, the juvenile court and the county shall participate in the program and fully comply with any guidelines for the performance of audits adopted by the department pursuant to that program and all requests made by the department pursuant to that program for information necessary to reconcile fiscal accounting. If an audit that is performed pursuant to a fiscal monitoring program or another monitoring program described in this division determines that the juvenile court or the county used moneys in the county's felony delinquent care and custody fund for expenses that are not authorized under division (B) of this section, within forty-five days after the department notifies the county of the unauthorized expenditures, the county either shall repay the amount of the unauthorized expenditures from the county general revenue fund to the state's general revenue fund or shall file a written appeal with the department. If an appeal is timely filed, the director of the department shall render a decision on the appeal and shall notify the appellant county or its juvenile court of that decision within forty-five days after the date that the appeal is filed. If the director denies an appeal, the county's fiscal agent shall repay the amount of the unauthorized expenditures from the county general revenue fund to the state's general revenue fund within thirty days after receiving the director's notification of the appeal decision. If the county fails to make the repayment within that thirty-day period and if the unauthorized expenditures pertain to moneys allocated under sections 5139.41 to 5139.43

of the Revised Code, the department shall deduct the amount of the unauthorized expenditures from the next allocation of those moneys to the county in accordance with this section or from the allocations that otherwise would be made under those sections to the county during the next state fiscal year in accordance with this section and shall return that deducted amount to the state's general revenue fund. If the county fails to make the repayment within that thirty-day period and if the unauthorized expenditures pertain to moneys granted pursuant to section 5139.34 of the Revised Code, the department shall deduct the amount of the unauthorized expenditures from the next annual grant to the county pursuant to that section and shall return that deducted amount to the state's general revenue fund.

(C) The determination of which county a reduction of the care and custody allocation will be charged against for a particular youth shall be made as outlined below for all youths who do not qualify as public safety beds. The determination of which county a reduction of the care and custody allocation will be charged against shall be made as follows until each youth is released:

(1) In the event of a commitment, the reduction shall be charged against the committing county.

(2) In the event of a recommitment, the reduction shall be charged against the original committing county until the expiration of the minimum period of institutionalization under the original order of commitment or until the date on which the youth is admitted to the department of youth services pursuant to the order of recommitment, whichever is later. Reductions of the allocation shall be charged against the county that recommitted the youth after the minimum expiration date of the original commitment.

(3) In the event of a revocation of a release on parole, the reduction shall be charged against the county that revokes the youth's parole.

(D) A juvenile court is not precluded by its allocation amount for the care and custody of felony delinquents from committing a felony delinquent to the department of youth services for care and custody in an institution or a community corrections facility when the juvenile court determines that the commitment is appropriate.

Sec. 5302.221. (A) As used in this section:

"Estate" has the same meaning as in section 5111.11 of the Revised Code.

"Medicaid estate recovery program" means the program instituted under section 5111.11 of the Revised Code.

(B) The administrator of the medicaid estate recovery program shall prescribe a form on which a beneficiary of a transfer on death deed as

provided in section 5302.22 of the Revised Code, who survives the deceased owner of the real property or an interest in the real property or that is in existence on the date of death of the deceased owner, or such a beneficiary's representative is to indicate both of the following:

(1) Whether the deceased owner was either of the following:

(a) A decedent subject to the medicaid estate recovery program;

(b) The spouse of a decedent subject to the medicaid estate recovery program.

(2) Whether the real property or interest in the real property was part of the estate of a decedent subject to the medicaid estate recovery program.

(C) A county recorder shall obtain a properly completed form prescribed under division (B) of this section from the beneficiary of a transfer on death deed or the beneficiary's representative and send a copy of the form to the administrator of the medicaid estate recovery program before recording the transfer of the real property or interest in the real property under division (C) of section 5302.22 of the Revised Code.

Sec. 5309.082. (A) As used in this section:

"Estate" has the same meaning as in section 5111.11 of the Revised Code.

"Medicaid estate recovery program" means the program instituted under section 5111.11 of the Revised Code.

(B) The administrator of the medicaid estate recovery program shall prescribe a form on which a surviving tenant under a survivorship tenancy or such a surviving tenant's representative is to indicate both of the following:

(1) Whether the deceased survivorship tenant was either of the following:

(a) A decedent subject to the medicaid estate recovery program;

(b) The spouse of a decedent subject to the medicaid estate recovery program.

(2) Whether the registered land under a survivorship tenancy was part of the estate of a decedent subject to the medicaid estate recovery program.

(C) A county recorder shall obtain a properly completed form prescribed under division (B) of this section from the surviving tenant under a survivorship tenancy or the surviving tenant's representative and send a copy of the form to the administrator of the medicaid estate recovery program before registering the title in the surviving tenants under section 5309.081 of the Revised Code.

Sec. 5323.01. As used in this chapter:

(A) "Hotel" has the same meaning as in section 3731.01 of the Revised

Code.

(B) "Manufactured home" has the same meaning as in section 3781.06 of the Revised Code.

(C) "Mobile home" and "recreational vehicle" have the same meanings as in section 4501.01 of the Revised Code.

(D) "Political subdivision" means a county; that has a population of more than two hundred thousand according to the most recent decennial census or a township, municipal corporation, or other body corporate and politic that is located in a county that has a population of more than two hundred thousand according to the most recent decennial census and is responsible for government activities in a geographic area smaller than that of the state.

(E) "Residential rental property" means real property that is located in a county that has a population of more than two hundred thousand according to the most recent decennial census and on which is located one or more dwelling units leased or otherwise rented to tenants solely for residential purposes, or a mobile home park or other permanent or semipermanent site at which lots are leased or otherwise rented to tenants for the parking of a manufactured home, mobile home, or recreational vehicle that is used solely for residential purposes. "Residential rental property" does not include a hotel or a college or university dormitory.

Sec. 5323.02. (A) An owner of residential rental property shall file with the county auditor of the county in which the property is located the following information:

- (1) The name, address, and telephone number of the owner;
- (2) If the residential rental property is owned by a trust, business trust, estate, partnership, limited partnership, limited liability company, association, corporation, or any other business entity, the name, address, and telephone number of the following:
 - (a) A trustee, in the case of a trust or business trust;
 - (b) The executor or administrator, in the case of an estate;
 - (c) A general partner, in the case of a partnership or a limited partnership;
 - (d) A member, manager, or officer, in the case of a limited liability company;
 - (e) An associate, in the case of an association;
 - (f) An officer, in the case of a corporation;
 - (g) A member, manager, or officer, in the case of any other business entity.
- (3) The street address and permanent parcel number of the residential

rental property;

~~(4) If the residential rental property has dwelling units that are leased or otherwise rented to tenants, the year the units were built.~~

(B) The information required under division (A) of this section shall be filed and maintained ~~in a manner to be determined by the county auditor~~ on the tax list or the real property record.

(C) An owner of residential rental property shall update the information required under division (A) of this section within ~~ten~~ sixty days after any change in the information occurs.

(D) The county auditor shall provide an owner of residential rental property located in a county that has a population of more than two hundred thousand according to the most recent decennial census with notice pursuant to division (B) of section 323.131 of the Revised Code of the requirement to file the information required under division (A) of this section and the requirement to update that information under division (C) of this section.

(E) The owner of residential real property shall comply with the requirements under divisions (A) and (C) of this section within sixty days after receiving the notice provided under division (D) of this section, division (D) of section 319.202, or division (B) of section 323.131 of the Revised Code.

Sec. 5323.99. No owner of residential rental property shall fail to comply with the filing or updating of information requirements of section 5323.02 of the Revised Code or shall fail to satisfy the designation of agent requirement or the filing of the appropriate designation of agent document requirement of section 5323.03 of the Revised Code. ~~Whoever violates this section is guilty of a minor misdemeanor~~ The county auditor may impose upon any person who violates this section a special assessment on the residential rental property that is the subject of the violation that is not less than fifty dollars or more than one hundred fifty dollars. Such special assessment may be appealed to the county board of revision.

Sec. 5528.54. (A) The commissioners of the sinking fund are authorized to issue and sell, as provided in this section and in amounts from time to time authorized by the general assembly, general obligations of this state for the purpose of financing or assisting in the financing of the costs of projects. The full faith and credit, revenues, and taxing power of the state are and shall be pledged to the timely payment of bond service charges on outstanding obligations, all in accordance with Section 2m of Article VIII, Ohio Constitution, and sections 5528.51 to 5528.53 of the Revised Code, and so long as such obligations are outstanding there shall be levied and collected excises, taxes, and other revenues in amounts sufficient to pay the

bond service charges on such obligations and costs relating to credit enhancement facilities.

(B) Not more than two hundred twenty million dollars principal amount of obligations, plus the principal amount of obligations that in any prior fiscal years could have been, but were not issued within that two-hundred-twenty-million-dollar fiscal year limit, may be issued in any fiscal year, and not more ~~that~~ than one billion two hundred million dollars principal amount of obligations may be outstanding at any one time, all determined as provided in sections 5528.51 to 5528.53 of the Revised Code.

(C) The state may participate in financing projects by grants, loans, or contributions to local government entities.

(D) Each issue of obligations shall be authorized by resolution of the commissioners. The bond proceedings shall provide for the principal amount or maximum principal amount of obligations of an issue, and shall provide for or authorize the manner for determining the principal maturity or maturities, not exceeding the earlier of thirty years from the date of issuance of the particular obligations or thirty years from the date the debt represented by the particular obligations was originally contracted, the interest rate or rates, the date of and the dates of payment of interest on the obligations, their denominations, and the establishment within or outside the state of a place or places of payment of bond service charges. Sections 9.96, 9.98, 9.981, 9.982, and 9.983 of the Revised Code are applicable to the obligations. The purpose of the obligations may be stated in the bond proceedings as "financing or assisting in the financing of highway capital improvement projects as provided in Section 2m of Article VIII, Ohio Constitution."

(E) The proceeds of the obligations, except for any portion to be deposited into special funds, or into escrow funds for the purpose of refunding outstanding obligations, all as may be provided in the bond proceedings, shall be deposited into the highway capital improvement fund established by section 5528.53 of the Revised Code.

(F) The commissioners may appoint or provide for the appointment of paying agents, bond registrars, securities depositories, and transfer agents, and may retain the services of financial advisers and accounting experts, 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 judgment of the commissioners to carry out sections 5528.51 to 5528.53 of the Revised Code. Financing costs are payable, as provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other

moneys available for the purpose.

(G) The bond proceedings, including any trust agreement, may contain additional provisions customary or appropriate to the financing or to the obligations or to particular obligations including, but not limited to:

(1) The redemption of obligations prior to maturity at the option of the state or of the holder or upon the occurrence of certain conditions at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(2) The form of and other terms of the obligations;

(3) The establishment, deposit, investment, and application of special funds, and the safeguarding of moneys on hand or on deposit, in lieu of otherwise applicable provisions of Chapter 131. or 135. of the Revised Code, but subject to any special provisions of this section with respect to particular funds or moneys, and provided that any bank or trust company that acts as a depository of any moneys in special funds may furnish such indemnifying bonds or may pledge such securities as required by the commissioners;

(4) Any or every provision of the bond proceedings binding upon the commissioners and such state agency or local government entities, 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;

(5) The maintenance of each pledge, any trust agreement, or other instrument composing part of the bond proceedings until the state has fully paid or provided for the payment of the bond service charges on the obligations or met other stated conditions;

(6) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the commissioners made as part of a contract under which the obligations were issued or secured, the enforcement of such payments or agreements by mandamus, suit in equity, action at law, or any combination of the foregoing;

(7) The rights and remedies of the holders of obligations and of the trustee under any trust agreement, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(8) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(9) Provision for the funding, refunding, or advance refunding or other provision for payment of obligations that will then no longer be outstanding

for purposes of sections 5528.51 to 5528.56 of the Revised Code or of the bond proceedings;

(10) Any provision that may be made in bond proceedings or a trust agreement, including provision for amendment of the bond proceedings;

(11) Any other or additional agreements with the holders of the obligations relating to any of the foregoing;

(12) Such other provisions as the commissioners determine, including limitations, conditions, or qualifications relating to any of the foregoing.

(H) The great seal of the state or a facsimile of that seal may be affixed to or printed on the obligations. The obligations requiring signatures by the commissioners shall be signed by or bear the facsimile signatures of two or more of the commissioners as provided in the bond proceedings. Any obligations may be signed by the person who, on the date of execution, is the authorized signer although on the date of such obligations such person was not a commissioner. In case the individual whose signature or a facsimile of whose signature appears on any obligation ceases to be a commissioner before delivery of the obligation, such signature or facsimile is nevertheless valid and sufficient for all purposes as if that individual had remained the member until such delivery, and in case the seal to be affixed to or printed on obligations has been changed after the seal has been affixed to or a facsimile of the seal has been printed on the obligations, that seal or facsimile seal shall continue to be sufficient as to those obligations and obligations issued in substitution or exchange therefor.

(I) The obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. Obligations may be issued in coupon or in fully registered form, or both, as the commissioners determine. Provision may be made for the registration of any obligations with coupons attached 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 of any obligations registered as to both principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion. Pending preparation of definitive obligations, the commissioners may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(J) Obligations may be sold at public sale or at private sale, and at such price at, above, or below par, as determined by the commissioners in the bond proceedings.

(K) In the discretion of the commissioners, obligations may be secured additionally by a trust agreement between the state and a corporate trustee

which may be any trust company or bank having ~~its principal~~ a place of business within the state. Any trust agreement may contain the resolution authorizing the issuance of the obligations, any provisions that may be contained in the bond proceedings, and other provisions that are customary or appropriate in an agreement of the type.

(L) Except to the extent that their rights are restricted by the bond proceedings, any holder of obligations, or a trustee under 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 the bond proceedings. Such rights include the right to compel the performance of all duties of the commissioners and the state. Each duty of the commissioners and its employees, and of each state agency and local government entity and its officers, members, or employees, undertaken pursuant to the bond proceedings, is hereby established as a duty of the commissioners, and of each such agency, local government entity, officer, member, or employee having authority to perform such duty, specifically enjoined by the law and resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The persons who are at the time the commissioners of the sinking fund, or its employees, are not liable in their personal capacities on any obligations or any agreements of or with the commissioners relating to obligations or under the bond proceedings.

(M) Obligations 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, the administrator of workers' compensation, subject to the approval of the workers' compensation board and the industrial commission, 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 state agency with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

(N) 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 commissioners only in notes, bonds, or other direct obligations of the United States or of any agency or instrumentality thereof, in obligations of this state or any political subdivision of this state, in 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, in the Ohio subdivision's fund established pursuant to section 135.45 of the Revised Code, in no-front-end-load money market mutual funds consisting exclusively of direct obligations of the United States or of an agency or instrumentality thereof, and in repurchase agreements, including those issued by any fiduciary, secured by direct obligations of the United States or an agency or instrumentality thereof, and in common trust funds established in accordance with section 1109.20 of the Revised Code and consisting exclusively of direct obligations of the United States or of an agency or instrumentality thereof, notwithstanding division (A)(4) of that section. The income from investments shall be credited to such special funds or otherwise as the commissioners determine in the bond proceedings, and the investments may be sold or exchanged at such times as the commissioners determine or authorize.

(O) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in a special fund shall be disbursed on the order of the commissioners, provided that no such order is required for the payment from the bond service fund or other special fund when due of bond service charges or required payments under credit enhancement facilities.

(P) The commissioners may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and the applicable officers and agencies of the state, including the general assembly, shall, so long as any obligations are outstanding in accordance with their terms, maintain statutory authority for and cause to be charged and collected taxes, excises, and other receipts of the state so that the receipts to the bond service fund shall be sufficient in amounts to meet bond service charges and for the establishment and maintenance of any reserves and other requirements, including payment of financing costs, provided for in the bond proceedings.

(Q) The obligations, and the transfer of, and the interest, interest equivalent, and other income and accreted amounts from, including any profit made on the sale, exchange, or other disposition of, the obligations shall at all times be free from taxation, direct or indirect, within the state.

(R) This section applies only with respect to obligations issued and delivered prior to September 30, 2000.

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) 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 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 a 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. 5533.531. The road known as state route one hundred eighteen, commencing at the southernmost boundary of the municipal corporation of St. Henry and extending southward to the intersection of that state route and state route forty-seven, shall be known as "Earl Baltes Highway."

The director of transportation may erect suitable markers along the highway indicating its name.

Sec. 5533.632. The road known as state route number two, running in an easterly and westerly direction, within the municipal corporation of Willoughby only, shall be known as the "Brian Montgomery Memorial Highway."

The director of transportation may erect suitable markers along the highway indicating its name.

Sec. 5533.91. That part of the road known as state route number forty-four, located within Lake county and commencing at the intersection of that state route and state route number two and extending in a northerly direction and ending at headlands beach state park, shall be known as the "LCpl Andy Nowacki Memorial Highway."

The director of transportation may erect suitable markers along the highway indicating its name.

Sec. 5537.04. (A) The Ohio turnpike commission may do any of the following:

- (1) Adopt bylaws for the regulation of its affairs and the conduct of its business;
- (2) Adopt an official seal, which shall not be the great seal of the state and which need not be in compliance with section 5.10 of the Revised Code;
- (3) Maintain a principal office and suboffices at such places within the state as it designates;
- (4) Sue and be sued in its own name, plead and be impleaded, provided any actions against the commission shall be brought in the court of common pleas of the county in which the principal office of the commission is located, or in the court of common pleas of the county in which the cause of action arose if that county is located within this state, and all summonses, exceptions, and notices of every kind shall be served on the commission by leaving a copy thereof at its principal office with the secretary-treasurer or executive director of the commission;
- (5) Construct, maintain, repair, police, and operate the turnpike system, and establish rules for the use of any turnpike project;
- (6) Issue revenue bonds of the state, payable solely from pledged revenues, as provided in this chapter, for the purpose of paying any part of the cost of constructing any one or more turnpike projects;
- (7) Fix, and revise from time to time, and charge and collect tolls;
- (8) Acquire, hold, and dispose of property in the exercise of its powers and the performance of its duties under this chapter;
- (9) Designate the locations and establish, limit, and control such points

of ingress to and egress from each turnpike project as are necessary or desirable in the judgment of the commission and of the director of transportation to ensure the proper operation and maintenance of that project, and prohibit entrance to such a project from any point not so designated;

(10) Make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this chapter, including participation in a multi-jurisdiction electronic toll collection agreement and collection or remittance of tolls, fees, or other charges to or from entities or agencies that participate in such an agreement;

(11) Employ or retain or contract for the services of consulting engineers, superintendents, managers, and any other engineers, construction and accounting experts, financial advisers, trustees, marketing, remarketing, and administrative agents, attorneys, and other employees, independent contractors, or agents that are necessary in its judgment and fix their compensation, provided all such expenses shall be payable solely from the proceeds of bonds or from revenues of the Ohio turnpike system;

(12) Receive and accept from any federal agency, subject to the approval of the governor, and from any other governmental agency grants for or in aid of the construction, reconstruction, repair, renovation, maintenance, or operation of any turnpike project, and receive and accept aid or contributions from any source or person of money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which such grants and contributions are made;

(13) Provide coverage for its employees under Chapters 4123. and 4141. of the Revised Code;

(14) Fix and revise by rule, from time to time, such permit fees, processing fees, or administrative charges for the prepayment, deferred payment, or nonpayment of tolls and use of electronic tolling equipment or other commission property.

(B) The commission may do all acts necessary or proper to carry out the powers expressly granted in this chapter.

Sec. 5537.16. (A) The Ohio turnpike commission may adopt such bylaws and rules as it considers advisable for the control and regulation of traffic on any turnpike project, for the protection and preservation of property under its jurisdiction and control, ~~and~~ for the maintenance and preservation of good order within the property under its control, and for the purpose of establishing owner or operator liability for failure to comply with toll collection rules. The rules of the commission with respect to the speed, use of special engine brakes, axle loads, vehicle loads, and vehicle

dimensions of vehicles on turnpike projects, including the issuance of a special permit by the commission to allow the operation on any turnpike project of a motor vehicle transporting two or fewer steel coils, shall apply notwithstanding sections 4511.21 to 4511.24, 4513.34, and Chapter 5577. of the Revised Code. Such bylaws and rules shall be published in a newspaper of general circulation in Franklin county, and in such other manner as the commission prescribes.

(B) Such rules shall provide that public police officers shall be afforded ready access, while in the performance of their official duty, to all property under the jurisdiction of the commission and without the payment of tolls.

(C) No person shall violate any such bylaws or rules of the commission.

~~All~~

(D)(1) All fines collected for the violation of applicable laws of the state and the bylaws and rules of the commission or moneys arising from bonds forfeited for such violation shall be disposed of in accordance with section 5503.04 of the Revised Code.

(2) All fees or charges assessed by the commission against an owner or operator of a vehicle as a civil violation for failure to comply with toll collection rules shall be revenues of the commission.

Sec. 5537.99. ~~Whoever~~ (A) Except as provided in division (B) of this section, whoever violates division (C) of section 5537.16 of the Revised Code is guilty of a minor misdemeanor on a first offense; on each subsequent offense such person is guilty of a misdemeanor of the fourth degree.

(B) Whoever violates division (C) of section 5537.16 of the Revised Code when the violation is a civil violation for failure to comply with toll collection rules is subject to a fee or charge established by the commission by rule.

Sec. 5703.058. Before January 1, 2008, the tax commissioner and the treasurer of state shall consult and jointly adopt policies and procedures for the processing of payments of taxes administered by the tax commissioner such that payments are deposited in or credited to the appropriate account or fund within thirty days after receipt by the commissioner or treasurer. The policies and procedures shall apply to all such payments received on or after January 1, 2008. The policies and procedures are supplemental to rules adopted by the treasurer of state under section 113.08 of the Revised Code.

Sec. 5703.80. There is hereby created in the state treasury the property tax administration fund. All money to the credit of the fund shall be used to defray the costs incurred by the department of taxation in administering the taxation of property and the equalization of real property valuation.

Each fiscal year between the first and fifteenth days of July, the tax commissioner shall compute the following amounts for the property in each taxing district in each county, and certify to the director of budget and management the sum of those amounts for all taxing districts in all counties:

(A) For fiscal year 2006, thirty-three hundredths of one per cent of the total amount by which taxes charged against real property on the general tax list of real and public utility property were reduced under section 319.302 of the Revised Code for the preceding tax year;

(B) For fiscal year 2007 and thereafter, thirty-five hundredths of one per cent of the total amount by which taxes charged against real property on the general tax list of real and public utility property were reduced under section 319.302 of the Revised Code for the preceding tax year;

(C) For fiscal year 2006, one-half of one per cent of the total amount of taxes charged and payable against public utility personal property on the general tax list of real and public utility property for the preceding tax year and of the total amount of taxes charged and payable against tangible personal property on the general tax list of personal property of the preceding tax year and for which returns were filed with the tax commissioner under section 5711.13 of the Revised Code;

(D) For fiscal year 2007, fifty-six hundredths of one per cent of the total amount of taxes charged and payable against public utility personal property on the general tax list of real and public utility property for the preceding tax year and of the total amount of taxes charged and payable against tangible personal property on the general tax list of personal property of the preceding tax year and for which returns were filed with the tax commissioner under section 5711.13 of the Revised Code;

(E) For fiscal year 2008 ~~and thereafter~~, six-tenths of one per cent of the total amount of taxes charged and payable against public utility personal property on the general tax list of real and public utility property for the preceding tax year and of the total amount of taxes charged and payable against tangible personal property on the general tax list of personal property of the preceding tax year and for which returns were filed with the tax commissioner under section 5711.13 of the Revised Code;

(F) For fiscal year 2009 and thereafter, seven hundred twenty-five one-thousandths of one per cent of the total amount of taxes charged and payable against public utility personal property on the general tax list of real and public utility property for the preceding tax year and of the total amount of taxes charged and payable against tangible personal property on the general tax list of personal property of the preceding tax year and for which returns were filed with the tax commissioner under section 5711.13 of the

Revised Code.

After receiving the tax commissioner's certification, the director of budget and management shall transfer from the general revenue fund to the property tax administration fund one-fourth of the amount certified on or before each of the following days: the first days of August, November, February, and May.

On or before the thirtieth day of June of the fiscal year, the tax commissioner shall certify to the director of budget and management the sum of the amounts by which the amounts computed for a taxing district under this section exceeded the distributions to the taxing district under division (F) of section 321.24 of the Revised Code, and the director shall transfer that sum from the property tax administration fund to the general revenue fund.

Sec. 5705.01. As used in this chapter:

(A) "Subdivision" means any county; municipal corporation; township; township police district; township fire district; joint fire district; joint ambulance district; joint emergency medical services district; fire and ambulance district; joint recreation district; township waste disposal district; township road district; community college district; technical college district; detention facility district; 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; a joint-county alcohol, drug addiction, and mental health service district; a drainage improvement district created under section 6131.52 of the Revised Code; a union cemetery district; a county school financing district; ~~or~~ a city, local, exempted village, cooperative education, or joint vocational school district; or a student special services district created under section 3313.82 of the Revised Code.

(B) "Municipal corporation" means all municipal corporations, including those that have adopted a charter under Article XVIII, Ohio Constitution.

(C) "Taxing authority" or "bond issuing authority" means, in the case of any county, the board of county commissioners; in the case of a municipal corporation, the council or other legislative authority of the municipal corporation; in the case of a city, local, exempted village, cooperative education, or joint vocational school district, the board of education; in the case of a community college district, the board of trustees of the district; in the case of a technical college district, the board of trustees of the district; in the case of a detention facility district, 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 joint board of county

commissioners of the district; in the case of a township, the board of township trustees; in the case of a joint fire district, the board of fire district trustees; in the case of a joint recreation district, the joint recreation district board of trustees; in the case of a joint-county alcohol, drug addiction, and mental health service district, the district's board of alcohol, drug addiction, and mental health services; in the case of a joint ambulance district or a fire and ambulance district, the board of trustees of the district; in the case of a union cemetery district, the legislative authority of the municipal corporation and the board of township trustees, acting jointly as described in section 759.341 of the Revised Code; in the case of a drainage improvement district, the board of county commissioners of the county in which the drainage district is located; in the case of a joint emergency medical services district, the joint board of county commissioners of all counties in which all or any part of the district lies; and in the case of a township police district, a township fire district, a township road district, or a township waste disposal district, the board of township trustees of the township in which the district is located. "Taxing authority" also means the educational service center governing board that serves as the taxing authority of a county school financing district as provided in section 3311.50 of the Revised Code, and the board of directors of a student special services district created under section 3313.82 of the Revised Code.

(D) "Fiscal officer" in the case of a county, means the county auditor; in the case of a municipal corporation, the city auditor or village clerk, or an officer who, by virtue of the charter, has the duties and functions of the city auditor or village clerk, except that in the case of a municipal university the board of directors of which have assumed, in the manner provided by law, the custody and control of the funds of the university, the chief accounting officer of the university shall perform, with respect to the funds, the duties vested in the fiscal officer of the subdivision by sections 5705.41 and 5705.44 of the Revised Code; in the case of a school district, the treasurer of the board of education; in the case of a county school financing district, the treasurer of the educational service center governing board that serves as the taxing authority; in the case of a township, the township fiscal officer; in the case of a joint fire district, the clerk of the board of fire district trustees; in the case of a joint ambulance district, the clerk of the board of trustees of the district; in the case of a joint emergency medical services district, the person appointed as fiscal officer pursuant to division (D) of section 307.053 of the Revised Code; in the case of a fire and ambulance district, the person appointed as fiscal officer pursuant to division (B) of section 505.375 of the Revised Code; in the case of a joint recreation district, the person designated

pursuant to section 755.15 of the Revised Code; in the case of a union cemetery district, the clerk of the municipal corporation designated in section 759.34 of the Revised Code; in the case of a children's home district, educational service center, general health district, joint-county alcohol, drug addiction, and mental health service district, county library district, detention facility district, 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 metropolitan park district for which no treasurer has been appointed pursuant to section 1545.07 of the Revised Code, the county auditor of the county designated by law to act as the auditor of the district; in the case of a metropolitan park district which has appointed a treasurer pursuant to section 1545.07 of the Revised Code, that treasurer; in the case of a drainage improvement district, the auditor of the county in which the drainage improvement district is located; in the case of a student special services district, the fiscal officer appointed pursuant to section 3313.82 of the Revised Code; and in all other cases, the officer responsible for keeping the appropriation accounts and drawing warrants for the expenditure of the moneys of the district or taxing unit.

(E) "Permanent improvement" or "improvement" means any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.

(F) "Current operating expenses" and "current expenses" mean the lawful expenditures of a subdivision, except those for permanent improvements, and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision.

(G) "Debt charges" means interest, sinking fund, and retirement charges on bonds, notes, or certificates of indebtedness.

(H) "Taxing unit" means any subdivision or other governmental district having authority to levy taxes on the property in the district or issue bonds that constitute a charge against the property of the district, including conservancy districts, metropolitan park districts, sanitary districts, road districts, and other districts.

(I) "District authority" means any board of directors, trustees, commissioners, or other officers controlling a district institution or activity that derives its income or funds from two or more subdivisions, such as the educational service center, the trustees of district children's homes, the district board of health, a joint-county alcohol, drug addiction, and mental

health service district's board of alcohol, drug addiction, and mental health services, detention facility districts, a joint recreation district board of trustees, districts organized under section 2151.65 of the Revised Code, combined districts organized under sections 2152.41 and 2151.65 of the Revised Code, and other such boards.

(J) "Tax list" and "tax duplicate" mean the general tax lists and duplicates prescribed by sections 319.28 and 319.29 of the Revised Code.

(K) "Property" as applied to a tax levy means taxable property listed on general tax lists and duplicates.

(L) "School library district" means a school district in which a free public library has been established that is under the control and management of a board of library trustees as provided in section 3375.15 of the Revised Code.

Sec. 5705.219. (A) If the board of directors of a student special services district created under section 3313.82 of the Revised Code desires to levy a tax in excess of the ten-mill limitation throughout the district for the purpose of funding the services to be provided by the district to students enrolled in the school districts of which the district is composed and their immediate family members, the board shall propose the levy to each of the boards of education of those school districts. The proposal shall specify the rate or amount of the tax, the number of years the tax will be levied or that it will be levied for a continuing period of time, and that the aggregate rate of the tax shall not exceed three mills per dollar of taxable value in the student special services district.

(B)(1) If a majority of the boards of education of the school districts of which the student special services district is composed approves the proposal for the tax levy, the board of directors of the student special services district may adopt a resolution approved by a majority of the board's full membership declaring the necessity of levying the proposed tax in excess of the ten-mill limitation throughout the district for the purpose of funding the services to be provided by the district to students enrolled in the school districts of which the district is composed and their immediate family members. The resolution shall provide for the question of the tax to be submitted to the electors of the district at a general, primary, or special election on a day to be specified in the resolution that is consistent with the requirements of section 3501.01 of the Revised Code and that occurs at least seventy-five days after the resolution is certified to the board of elections. The resolution shall specify the rate or amount of the tax and the number of years the tax will be levied or that the tax will be levied for a continuing period of time. The aggregate rate of tax levied by a student special services

district under this section at any time shall not exceed three mills per dollar of taxable value in the district. A tax levied under this section may be renewed, subject to section 5705.25 of the Revised Code, or replaced as provided in section 5705.192 of the Revised Code.

(2) The resolution shall take effect immediately upon passage, and no publication of the resolution is necessary other than that provided in the notice of election. The resolution shall be certified and submitted in the manner provided under section 5705.25 of the Revised Code, and that section governs the arrangements governing submission of the question and other matters concerning the election.

Sec. 5705.25. (A) A copy of any resolution adopted as provided in section 5705.19 or 5705.219 of the Revised Code shall be certified by the taxing authority to the board of elections of the proper county not less than seventy-five days before the general election in any year, and the board shall submit the proposal to the electors of the subdivision at the succeeding November election. Except as otherwise provided in this division, a resolution to renew an existing levy, regardless of the section of the Revised Code under which the tax was imposed, shall not be placed on the ballot unless the question is submitted at the general election held during the last year the tax to be renewed or replaced may be extended on the real and public utility property tax list and duplicate, or at any election held in the ensuing year. The limitation of the foregoing sentence does not apply to a resolution to renew and increase or to renew part of an existing levy that was imposed under section 5705.191 of the Revised Code to supplement the general fund for the purpose of making appropriations for one or more of the following purposes: for public assistance, human or social services, relief, welfare, hospitalization, health, and support of general hospitals. The limitation of the second preceding sentence also does not apply to a resolution that proposes to renew two or more existing levies imposed under section 5705.21 of the Revised Code, in which case the question shall be submitted on the date of the general or primary election held during the last year at least one of the levies to be renewed may be extended on the real and public utility property tax list and duplicate, or at any election held during the ensuing year. For purposes of this section, a levy shall be considered to be an "existing levy" through the year following the last year it can be placed on that tax list and duplicate.

The board shall make the necessary arrangements for the submission of such questions to the electors of such subdivision, and the election shall be conducted, canvassed, and certified in the same manner as regular elections in such subdivision for the election of county officers. Notice of the election

shall be published in a newspaper of general circulation in the subdivision once a week for two consecutive weeks prior to the election, and, if the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. The notice shall state the purpose, the proposed increase in rate expressed in dollars and cents for each one hundred dollars of valuation as well as in mills for each one dollar of valuation, the number of years during which the increase will be in effect, the first month and year in which the tax will be levied, and the time and place of the election.

(B) The form of the ballots cast at an election held pursuant to division (A) of this section shall be as follows:

"An additional tax for the benefit of (name of subdivision or public library) for the purpose of (purpose stated in the resolution) at a rate not exceeding mills for each one dollar of valuation, which amounts to (rate expressed in dollars and cents) for each one hundred dollars of valuation, for (life of indebtedness or number of years the levy is to run).

	For the Tax Levy
	Against the Tax Levy

(C) If the levy is to be in effect for a continuing period of time, the notice of election and the form of ballot shall so state instead of setting forth a specified number of years for the levy.

If the tax is to be placed on the current tax list, the form of the ballot shall be modified by adding, after the statement of the number of years the levy is to run, the phrase ", commencing in (first year the tax is to be levied), first due in calendar year (first calendar year in which the tax shall be due)."

If the levy submitted is a proposal to renew, increase, or decrease an existing levy, the form of the ballot specified in division (B) of this section may be changed by substituting for the words "An additional" at the beginning of the form, the words "A renewal of a" in case of a proposal to renew an existing levy in the same amount; the words "A renewal of mills and an increase of mills to constitute a" in the case of an increase; or the words "A renewal of part of an existing levy, being a reduction of mills, to constitute a" in the case of a decrease in the proposed levy.

If the levy submitted is a proposal to renew two or more existing levies imposed under section 5705.21 of the Revised Code, the form of the ballot specified in division (B) of this section shall be modified by substituting for

the words "an additional tax" the words "a renewal of(insert the number of levies to be renewed) existing taxes."

The question covered by such 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. More than one such question may be submitted at the same election.

(D) A levy voted in excess of the ten-mill limitation under this section shall be certified to the tax commissioner. In the first year of the levy, it shall be extended on the tax lists after the February settlement succeeding the election. If the additional tax is to be placed upon the tax list of the current year, as specified in the resolution providing for its submission, the result of the election shall be certified immediately after the canvass by the board of elections to the taxing authority, who shall make the necessary levy and certify it to the county auditor, who shall extend it on the tax lists for collection. After the first year, the tax levy shall be included in the annual tax budget that is certified to the county budget commission.

Sec. 5705.29. This section does not apply to a subdivision or taxing unit for which the county budget commission has waived the requirement to adopt a tax budget pursuant to section 5705.281 of the Revised Code. The tax budget shall present the following information in such detail as is prescribed by the auditor of state:

(A)(1) A statement of the necessary current operating expenses for the ensuing fiscal year for each department and division of the subdivision, classified as to personal services and other expenses, and the fund from which such expenditures are to be made. Except in the case of a school district, this estimate may include a contingent expense not designated for any particular purpose, and not to exceed three per cent of the total amount of appropriations for current expenses. In the case of a school district, this estimate may include a contingent expense not designated for any particular purpose and not to exceed thirteen per cent of the total amount of appropriations for current expenses.

(2) A statement of the expenditures for the ensuing fiscal year necessary for permanent improvements, exclusive of any expense to be paid from bond issues, classified as to the improvements contemplated by the subdivision and the fund from which such expenditures are to be made;

(3) The amounts required for the payment of final judgments;

(4) A statement of expenditures for the ensuing fiscal year necessary for any purpose for which a special levy is authorized, and the fund from which such expenditures are to be made;

(5) Comparative statements, so far as possible, in parallel columns of

corresponding items of expenditures for the current fiscal year and the two preceding fiscal years.

(B)(1) An estimate of receipts from other sources than the general property tax during the ensuing fiscal year, which shall include an estimate of unencumbered balances at the end of the current fiscal year, and the funds to which such estimated receipts are credited;

(2) The amount each fund requires from the general property tax, which shall be the difference between the contemplated expenditure from the fund and the estimated receipts, as provided in this section. The section of the Revised Code under which the tax is authorized shall be set forth.

(3) Comparative statements, so far as possible, in parallel columns of taxes and other revenues for the current fiscal year and the two preceding fiscal years.

(C)(1) The amount required for debt charges;

(2) The estimated receipts from sources other than the tax levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding fiscal year;

(3) The net amount for which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequent to such date, and as to what portion of the levy will be within and what in excess of the ten-mill limitation.

(D) An estimate of amounts from taxes authorized to be levied in excess of the ten-mill limitation on the tax rate, and the fund to which such amounts will be credited, together with the sections of the Revised Code under which each such tax is exempted from all limitations on the tax rate.

(E)(1) A board of education may include in its budget for the fiscal year in which a levy proposed under section 5705.194, 5705.21, or 5705.213, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve balance, which shall not be greater than twenty-five per cent of the total amount of the levy estimated to be available for appropriation in such year.

(2) A board of education may include in its budget for the fiscal year following the year in which a levy proposed under section 5705.194, 5705.21, or 5705.213, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve balance, which shall not be greater than twenty per cent of the amount of the levy estimated to be available for appropriation in such year.

(3) Except as provided in division (E)(4) of this section, the full amount

of any reserve balance the board includes in its budget shall be retained by the county auditor and county treasurer out of the first semiannual settlement of taxes until the beginning of the next succeeding fiscal year, and thereupon, with the depository interest apportioned thereto, it shall be turned over to the board of education, to be used for the purposes of such fiscal year.

(4) A board of education, by a two-thirds vote of all members of the board, may appropriate any amount withheld as a voluntary contingency reserve balance during the fiscal year for any lawful purpose, provided that prior to such appropriation the board of education has authorized the expenditure of all amounts appropriated for contingencies under section 5705.40 of the Revised Code. Upon request by the board of education, the county auditor shall draw a warrant on the district's account in the county treasury payable to the district in the amount requested.

(F)(1) A board of education may include a spending reserve in its budget for fiscal years ending on or before June 30, 2002. The spending reserve shall consist of an estimate of expenditures not to exceed the district's spending reserve balance. A district's spending reserve balance is the amount by which the designated percentage of the district's estimated personal property taxes to be settled during the calendar year in which the fiscal year ends exceeds the estimated amount of personal property taxes to be so settled and received by the district during that fiscal year. Moneys from a spending reserve shall be appropriated in accordance with section 133.301 of the Revised Code.

(2) For the purposes of computing a school district's spending reserve balance for a fiscal year, the designated percentage shall be as follows:

Fiscal year ending in:	Designated percentage
1998	50%
1999	40%
2000	30%
2001	20%
2002	10%

(G) Except as otherwise provided in this division, the county budget commission shall not reduce the taxing authority of a subdivision as a result of the creation of a reserve balance account. Except as otherwise provided in this division, the county budget commission shall not consider the amount in a reserve balance account of a township, county, or municipal corporation as an unencumbered balance or as revenue for the purposes of division (E)(3) or (4) of section 5747.51 or ~~division (E)(3) or (4) of section 5747.62~~ of the Revised Code. The county budget commission may require documentation

of the reasonableness of the reserve balance held in any reserve balance account. The commission shall consider any amount in a reserve balance account that it determines to be unreasonable as unencumbered and as revenue for the purposes of sections 5747.51 and ~~5747.62~~ of the Revised Code and may take such amounts into consideration when determining whether to reduce the taxing authority of a subdivision.

Sec. 5705.44. When contracts or leases run beyond the termination of the fiscal year in which they are made, the fiscal officer of the taxing authority shall make a certification for the amount required to meet the obligation of such contract or lease maturing in such fiscal year. The amount of the obligation under such contract or lease remaining unfulfilled at the end of a fiscal year, and which will become payable during the next fiscal year, shall be included in the annual appropriation measure for the next year as a fixed charge.

The certificate required by section 5705.41 of the Revised Code as to money in the treasury shall not be required for contracts on which payments are to be made from the earnings of a publicly operated water works or public utility, but in the case of any such contract made without such certification, no payment shall be made on account thereof, and no claim or demand thereon shall be recoverable, except out of such earnings. That certificate also shall not be required if requiring the certificate makes it impossible for a county board of mental retardation and developmental disabilities to pay the nonfederal share of medicaid expenditures that the county board is required by ~~division (A) of section 5126.057~~ sections 5126.059 and 5126.0510 of the Revised Code to pay.

Sec. 5709.68. (A) On or before the thirty-first day of March each year, a municipal corporation or county that has entered into an agreement with an enterprise under section 5709.62, 5709.63, or 5709.632 of the Revised Code shall submit to the director of development and the board of education of each school district of which a municipal corporation or township to which such an agreement applies is a part a report on all of those agreements in effect during the preceding calendar year. The report shall include all of the following information:

(1) The designation, assigned by the director of development, of each urban jobs and enterprise zone within the municipal corporation or county, the date each zone was certified, the name of each municipal corporation or township within each zone, and the total population of each zone according to the most recent data available;

(2) The number of enterprises that are subject to those agreements and the number of full-time employees subject to those agreements within each

zone, each according to the most recent data available and identified and categorized by the appropriate standard industrial code, and the rate of unemployment in the municipal corporation or county in which the zone is located for each year since each zone was certified;

(3) The number of agreements approved and executed during the calendar year for which the report is submitted, the total number of agreements in effect on the thirty-first day of December of the preceding calendar year, the number of agreements that expired during the calendar year for which the report is submitted, and the number of agreements scheduled to expire during the calendar year in which the report is submitted. For each agreement that expired during the calendar year for which the report is submitted, the municipal corporation or county shall include the amount of taxes exempted and the estimated dollar value of any other incentives provided under the agreement.

(4) The number of agreements receiving compliance reviews by the tax incentive review council in the municipal corporation or county during the calendar year for which the report is submitted, including all of the following information:

(a) The number of agreements the terms of which an enterprise has complied with, indicating separately for each agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, for the amount of payroll of the enterprise attributable to these employees, and for investing in establishing, expanding, renovating, or occupying a facility;

(b) The number of agreements the terms of which an enterprise has failed to comply with, indicating separately for each agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, for the amount of payroll of the enterprise attributable to these employees, and for investing in establishing, expanding, renovating, or occupying a facility;

(c) The number of agreements about which the tax incentive review council made recommendations to the legislative authority of the municipal corporation or county, and the number of those recommendations that have not been followed;

(d) The number of agreements rescinded during the calendar year for which the report is submitted.

(5) The number of enterprises that are subject to agreements that expanded within each zone, including the number of new employees hired

and existing employees retained by each enterprise, and the number of new enterprises that are subject to agreements and that established within each zone, including the number of new employees hired by each enterprise;

(6)(a) The number of enterprises that are subject to agreements and that closed or reduced employment at any place of business within the state for the primary purpose of establishing, expanding, renovating, or occupying a facility, indicating separately for each enterprise the political subdivision in which the enterprise closed or reduced employment at a place of business and the number of full-time employees transferred and retained by each such place of business;

(b) The number of enterprises that are subject to agreements and that closed or reduced employment at any place of business outside the state for the primary purpose of establishing, expanding, renovating, or occupying a facility.

(7) For each agreement in effect during any part of the preceding year, the number of employees employed by the enterprise at the project site immediately prior to formal approval of the agreement, the number of employees employed by the enterprise at the project site on the thirty-first day of December of the preceding year, the payroll of the enterprise for the preceding year, the amount of taxes paid on tangible personal property situated at the project site and the amount of those taxes that were not paid because of the exemption granted under the agreement, and the amount of taxes paid on real property constituting the project site and the amount of those taxes that were not paid because of the exemption granted under the agreement. If an agreement was entered into under section 5709.632 of the Revised Code with an enterprise described in division (B)(2) of that section, the report shall include the number of employee positions at all of the enterprise's locations in this state. If an agreement is conditioned on a waiver issued under division (B) of section 5709.633 of the Revised Code on the basis of the circumstance described in division (B)(3)(a) or (b) of that section, the report shall include the number of employees at the facilities referred to in division (B)(3)(a)(i) or (b)(i) of that section, respectively.

(B) Upon the failure of a municipal corporation or county to comply with division (A) of this section:

(1) Beginning on the first day of April of the calendar year in which the municipal corporation or county fails to comply with that division, the municipal corporation or county shall not enter into any agreements with an enterprise under section 5709.62, 5709.63, or 5709.632 of the Revised Code until the municipal corporation or county has complied with division (A) of this section.

(2) On the first day of each ensuing calendar month until the municipal corporation or county complies with division (A) of this section, the director of development shall either order the proper county auditor to deduct from the next succeeding payment of taxes to the municipal corporation or county under section 321.31, 321.32, 321.33, or 321.34 of the Revised Code an amount equal to one thousand dollars for each calendar month the municipal corporation or county fails to comply with that division, or order the county auditor to deduct that amount from the next succeeding payment to the municipal corporation or county from the undivided local government fund under section 5747.51 of the Revised Code. At the time such a payment is made, the county auditor shall comply with the director's order by issuing a warrant, drawn on the fund from which the money would have been paid, to the director of development, who shall deposit the warrant into the state enterprise zone program administration fund created in division (C) of this section.

(C) The director, by rule, shall establish the state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section 5709.62, 5709.63, or 5709.632 of the Revised Code. In establishing the amount of the fee, the director shall consider the state's cost of administering the enterprise zone program, including the cost of reviewing the reports required under division (A) of this section. The director may change the amount of the fee at the times and in the increments the director considers necessary. Any municipal corporation or county that receives an application shall collect the application fee and remit the fee for deposit in the state treasury to the credit of the ~~state enterprise zone program administration fund, which is hereby created. Money credited to the fund shall be used by the department of development to pay the costs of administering the enterprise zone program, including the cost of reviewing the reports required under division (A) of this section~~ tax incentive programs operating fund created in section 122.174 of the Revised Code.

(D) On or before the thirtieth day of June each year, the director of development shall certify to the tax commissioner the information described under division (A)(7) of this section, derived from the reports submitted to the director under this section.

On the basis of the information certified under this division, the tax commissioner annually shall submit a report to the governor, the speaker of the house of representatives, the president of the senate, and the chairpersons of the ways and means committees of the respective houses of the general assembly, indicating for each enterprise zone the amount of state and local taxes that were not required to be paid because of exemptions

granted under agreements entered into under section 5709.62, 5709.63, or 5709.632 of the Revised Code and the amount of additional taxes paid from the payroll of new employees.

Sec. 5711.01. As used in this chapter:

(A)(1) "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.

(2) 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, other than pursuant to a sale and leaseback transaction, shall be listed and assessed by the owner of the property as follows:

(a) If the property leased to such a company is not governed by division (C) of section 5711.22 of the Revised Code in tax years 2007 and 2008, it shall be listed and assessed at the percentage of true value in money required under division ~~(H)~~(G) of section 5711.22 of the Revised Code.

(b) All property leased to such a company in tax years 2009 and 2010 shall be listed and assessed at the percentage of true value in money required under division (H) of section 5711.22 of the Revised Code.

(3) For tax years 2009 and 2010, the lessor of property subject to division (A)(2) of this section shall have the true value of the property the

lessor leases to a telephone, telegraph, or interexchange telecommunications company determined under divisions (A)(5) and (E) of section 5727.06 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. 5713.011. If the county auditor determines under section 5713.01 of the Revised Code that the construction of a dwelling on a previously vacant parcel of land is now available for use or that an additional dwelling is constructed on a parcel of land and is now available for use, the county auditor, by ordinary mail, shall send to the owner of the dwelling a notice that the applicant may apply for a reduction in taxes under division (A)(2) of section 323.153 of the Revised Code. The notice shall be substantially in the form of the notice prescribed under division ~~(C)(2)~~(A)(3)(b) of section 323.131 of the Revised Code.

Sec. 5725.24. (A) As used in this section, "qualifying dealer" means a

dealer in intangibles that is a qualifying dealer in intangibles as defined in section 5733.45 of the Revised Code or a member of a qualifying controlled group, as defined in section 5733.04 of the Revised Code, of which an insurance company also is a member on the first day of January of the year in and for which the tax imposed by section 5707.03 of the Revised Code is required to be paid by the dealer.

(B) The taxes levied by section 5725.18 of the Revised Code and collected pursuant to this chapter shall be paid into the state treasury to the credit of the general revenue fund.

(C) The taxes levied by section 5707.03 of the Revised Code on the value of shares in and capital employed by dealers in intangibles other than those that are qualifying dealers shall be for the use of the general revenue fund of the state and the local government funds of the several counties in which the taxes originate as provided in this division.

~~On or before the first day of~~ During each month ~~on~~ for which there is money in the state treasury for disbursement under this division, the tax commissioner shall provide for payment to the county treasurer of each county of five-eighths of the amount of the taxes collected on account of shares in and capital employed by dealers in intangibles other than those that are qualifying dealers, representing capital employed in the county. The balance of the money received and credited on account of taxes assessed on shares in and capital employed by such dealers in intangibles shall be credited to the general revenue fund.

Reductions in the amount of taxes collected on account of credits allowed under section 5725.151 of the Revised Code shall be applied to reduce the amount credited to the general revenue fund and shall not be applied to reduce the amount to be credited to the undivided local government funds of the counties in which such taxes originate.

For the purpose of this division, such taxes are deemed to originate in the counties in which such dealers in intangibles have their offices.

Money received into the treasury of a county pursuant to this section shall be credited to the undivided local government fund of the county and shall be distributed by the budget commission as provided by law.

(D) All of the taxes levied under section 5707.03 of the Revised Code on the value of the shares in and capital employed by dealers in intangibles that are qualifying dealers shall be paid into the state treasury to the credit of the general revenue fund.

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 a public utility other than a railroad, 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 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)(a) 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, but the tangible personal property shall be valued in accordance with this chapter using the composite annual allowances and other valuation procedures prescribed under section 5727.11 of the Revised Code by the tax commissioner for such property for tax year 2006, notwithstanding any section of Chapter 5711. of the Revised Code to the contrary.

(b) A telephone, telegraph, or interexchange telecommunications company subject to division (A)(5)(a) of this section shall file a combined return with the tax commissioner in accordance with section 5711.13 of the Revised Code even if the company has tangible personal property in only one county. Such a company also is subject to the issuance of a preliminary assessment certificate by the tax commissioner under section 5711.25 of the Revised Code. Such a company is not required to file a county supplemental return under section 5711.131 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 ten-thousand-dollar exemption provided for in division (C)(3) of section 5709.01 of the Revised Code does not apply to any personal property that is valued under this chapter.

(F) 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. 5727.45. ~~Four and two tenths~~ One hundred per cent of all excise taxes and penalties collected under sections 5727.01 to 5727.62 of the Revised Code shall be credited to ~~the local government fund for distribution in accordance with section 5747.50 of the Revised Code, six tenths of one per cent shall be credited to the local government revenue assistance fund for distribution in accordance with section 5747.61 of the Revised Code, and ninety five and two tenths per cent shall be credited to the general revenue fund.~~

Sec. 5727.81. (A) For the purpose of raising revenue for public education and state and local government operations, an excise tax is hereby levied and imposed on an electric distribution company for all electricity distributed by such company ~~beginning with the measurement period that includes May 1, 2001,~~ at the following rates per kilowatt hour of electricity distributed in a thirty-day period by the company through a meter of an end user in this state:

KILOWATT HOURS DISTRIBUTED TO AN END USER	RATE PER KILOWATT HOUR
For the first 2,000	\$.00465

For the next 2,001 to 15,000	\$.00419
For 15,001 and above	\$.00363

If no meter is used to measure the kilowatt hours of electricity distributed by the company, the rates shall apply to the estimated kilowatt hours of electricity distributed to an unmetered location in this state.

The electric distribution company shall base the monthly tax on the kilowatt hours of electricity distributed to an end user through the meter of the end user that is not measured for a thirty-day period by dividing the days in the measurement period into the total kilowatt hours measured during the measurement period to obtain a daily average usage. The tax shall be determined by obtaining the sum of divisions (A)(1), (2), and (3) of this section and multiplying that amount by the number of days in the measurement period:

(1) Multiplying \$0.00465 per kilowatt hour for the first sixty-seven kilowatt hours distributed using a daily average;

(2) Multiplying \$0.00419 for the next sixty-eight to five hundred kilowatt hours distributed using a daily average;

(3) Multiplying \$0.00363 for the remaining kilowatt hours distributed using a daily average.

~~Until January 1, 2003, except as provided in division (C) of this section, the electric distribution company shall pay the tax to the treasurer of state in accordance with section 5727.82 of the Revised Code. Beginning January 1, 2003, except~~ Except as provided in division (C) of this section, the electric distribution company shall pay the tax to the tax commissioner in accordance with section 5727.82 of the Revised Code, unless required to remit each tax payment by electronic funds transfer to the treasurer of state in accordance with section 5727.83 of the Revised Code.

Only the distribution of electricity through a meter of an end user in this state shall be used by the electric distribution company to compute the amount or estimated amount of tax due. In the event a meter is not actually read for a measurement period, the estimated kilowatt hours distributed by an electric distribution company to bill for its distribution charges shall be used.

(B) Except as provided in division (C) of this section, each electric distribution company shall pay the tax imposed by this section in all of the following circumstances:

(1) The electricity is distributed by the company through a meter of an end user in this state;

(2) The company is distributing electricity through a meter located in another state, but the electricity is consumed in this state in the manner

prescribed by the tax commissioner;

(3) The company is distributing electricity in this state without the use of a meter, but the electricity is consumed in this state as estimated and in the manner prescribed by the tax commissioner.

(C)(1) As used in division (C) of this section:

(a) "Total price of electricity" means the aggregate value in money of anything paid or transferred, or promised to be paid or transferred, to obtain electricity or electric service, including but not limited to the value paid or promised to be paid for the transmission or distribution of electricity and for transition costs as described in Chapter 4928. of the Revised Code.

(b) "Package" means the provision or the acquisition, at a combined price, of electricity with other services or products, or any combination thereof, such as natural gas or other fuels; energy management products, software, and services; machinery and equipment acquisition; and financing agreements.

(c) "Single location" means a facility located on contiguous property separated only by a roadway, railway, or waterway.

(2) Division (C) of this section applies to any commercial or industrial purchaser's receipt of electricity through a meter of an end user in this state or through more than one meter at a single location in this state in a quantity that exceeds forty-five million kilowatt hours of electricity over the course of the preceding calendar year, or any commercial or industrial purchaser that will consume more than forty-five million kilowatt hours of electricity over the course of the succeeding twelve months as estimated by the tax commissioner. The tax commissioner shall make such an estimate upon the written request by an applicant for registration as a self-assessing purchaser under this division. Such a purchaser may elect to self-assess the excise tax imposed by this section at the rate of \$.00075 per kilowatt hour on the first five hundred four million kilowatt hours distributed to that meter or location during the registration year, and ~~four per cent~~ a percentage of the total price of all electricity distributed to that meter or location equal to four per cent through the meter reading period that includes June 30, 2008, and three and one-half per cent beginning for the meter reading period including July 1, 2008, and thereafter. A qualified end user that receives electricity through a meter of an end user in this state or through more than one meter at a single location in this state and that consumes, over the course of the previous calendar year, more than forty-five million kilowatt hours in other than its qualifying manufacturing process, may elect to self-assess the tax as allowed by this division with respect to the electricity used in other than its qualifying manufacturing process. ~~Until January 1, 2003, payment of the tax~~

~~shall be made directly to the treasurer of state in accordance with divisions (A)(4) and (5) of section 5727.82 of the Revised Code. Beginning January 1, 2003, payment~~

Payment of the tax shall be made directly to the tax commissioner in accordance with divisions (A)(4) and (5) of section 5727.82 of the Revised Code, or the treasurer of state in accordance with section 5727.83 of the Revised Code. If the electric distribution company serving the self-assessing purchaser is a municipal electric utility and the purchaser is within the municipal corporation's corporate limits, payment shall be made to such municipal corporation's general fund and reports shall be filed in accordance with divisions (A)(4) and (5) of section 5727.82 of the Revised Code, except that "municipal corporation" shall be substituted for "treasurer of state" and "tax commissioner." A self-assessing purchaser that pays the excise tax as provided in this division shall not be required to pay the tax to the electric distribution company from which its electricity is distributed. If a self-assessing purchaser's receipt of electricity is not subject to the tax as measured under this division, the tax on the receipt of such electricity shall be measured and paid as provided in division (A) of this section.

(3) In the case of the acquisition of a package, unless the elements of the package are separately stated isolating the total price of electricity from the price of the remaining elements of the package, the tax imposed under this section applies to the entire price of the package. If the elements of the package are separately stated, the tax imposed under this section applies to the total price of the electricity.

(4) Any electric supplier that sells electricity as part of a package shall separately state to the purchaser the total price of the electricity and, upon request by the tax commissioner, the total price of each of the other elements of the package.

(5) The tax commissioner may adopt rules relating to the computation of the total price of electricity with respect to self-assessing purchasers, which may include rules to establish the total price of electricity purchased as part of a package.

(6) An annual application for registration as a self-assessing purchaser shall be made for each qualifying meter or location on a form prescribed by the tax commissioner. The registration year begins on the first day of May and ends on the following thirtieth day of April. Persons may apply after the first day of May for the remainder of the registration year. In the case of an applicant applying on the basis of an estimated consumption of forty-five million kilowatt hours over the course of the succeeding twelve months, the applicant shall provide such information as the tax commissioner considers

to be necessary to estimate such consumption. At the time of making the application and by the first day of May of each year, ~~excluding May 1, 2000,~~ a self-assessing purchaser shall pay a fee of five hundred dollars to the tax commissioner, or to the treasurer of state as provided in section 5727.83 of the Revised Code, for each qualifying meter or location. The tax commissioner shall immediately pay to the treasurer of state all amounts that the tax commissioner receives under this section. The treasurer of state shall deposit such amounts into the kilowatt hour excise tax administration fund, which is hereby created in the state treasury. Money in the fund shall be used to defray the tax commissioner's cost in administering the tax owed under section 5727.81 of the Revised Code by self-assessing purchasers. After the application is approved by the tax commissioner, the registration shall remain in effect for the current registration year, or until canceled by the registrant upon written notification to the commissioner of the election to pay the tax in accordance with division (A) of this section, or until canceled by the tax commissioner for not paying the tax or fee under division (C) of this section or for not meeting the qualifications in division (C)(2) of this section. The tax commissioner shall give written notice to the electric distribution company from which electricity is delivered to a self-assessing purchaser of the purchaser's self-assessing status, and the electric distribution company is relieved of the obligation to pay the tax imposed by division (A) of this section for electricity distributed to that self-assessing purchaser until it is notified by the tax commissioner that the self-assessing purchaser's registration is canceled. Within fifteen days of notification of the canceled registration, the electric distribution company shall be responsible for payment of the tax imposed by division (A) of this section on electricity distributed to a purchaser that is no longer registered as a self-assessing purchaser. A self-assessing purchaser with a canceled registration must file a report and remit the tax imposed by division (A) of this section on all electricity it receives for any measurement period prior to the tax being reported and paid by the electric distribution company. A self-assessing purchaser whose registration is canceled by the tax commissioner is not eligible to register as a self-assessing purchaser for two years after the registration is canceled.

(7) If the tax commissioner cancels the self-assessing registration of a purchaser registered on the basis of its estimated consumption because the purchaser does not consume at least forty-five million kilowatt hours of electricity over the course of the twelve-month period for which the estimate was made, the tax commissioner shall assess and collect from the purchaser the difference between (a) the amount of tax that would have been payable

under division (A) of this section on the electricity distributed to the purchaser during that period and (b) the amount of tax paid by the purchaser on such electricity pursuant to division (C)(2)(a) of this section. The assessment shall be paid within sixty days after the tax commissioner issues it, regardless of whether the purchaser files a petition for reassessment under section 5727.89 of the Revised Code covering that period. If the purchaser does not pay the assessment within the time prescribed, the amount assessed is subject to the additional charge and the interest prescribed by divisions (B) and (C) of section 5727.82 of the Revised Code, and is subject to assessment under section 5727.89 of the Revised Code. If the purchaser is a qualified end user, division (C)(7) of this section applies only to electricity it consumes in other than its qualifying manufacturing process.

(D) The tax imposed by this section does not apply to the distribution of any kilowatt hours of electricity to the federal government, to an end user located at a federal facility that uses electricity for the enrichment of uranium, to a qualified regeneration meter, or to an end user for any day the end user is a qualified end user. The exemption under this division for a qualified end user only applies to the manufacturing location where the qualified end user uses more than three million kilowatt hours per day in a qualifying manufacturing process.

Sec. 5727.84. (A) As used in this section and sections 5727.85, 5727.86, and 5727.87 of the Revised Code:

(1) "School district" means a city, local, or exempted village school district.

(2) "Joint vocational school district" means a joint vocational school district created under section 3311.16 of the Revised Code, and includes a cooperative education school district created under section 3311.52 or 3311.521 of the Revised Code and a county school financing district created under section 3311.50 of the Revised Code.

(3) "Local taxing unit" means a subdivision or taxing unit, as defined in section 5705.01 of the Revised Code, a park district created under Chapter 1545. of the Revised Code, or a township park district established under section 511.23 of the Revised Code, but excludes school districts and joint vocational school districts.

(4) "State education aid," for a school district, means the sum of state aid amounts computed for the district under divisions (A), (C)(1), (C)(4), (D), (E), and (F) of section 3317.022; divisions (B), (C), and (D) of section 3317.023; divisions (G), (L), and (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; and the adjustments required by: division

(C) of section 3310.08; division (C)(2) of section 3310.41; section 3310.55; division (C) of section 3314.08; division (D)(2) of section 3314.091; division (D) of section 3314.13; divisions (E), (K), (L), (M), (N), and (O) of section 3317.023; division (C) of section 3317.20; and sections 3313.979 and 3313.981 of the Revised Code. However, when calculating state education aid for a school district for fiscal years ~~2006~~ 2008 and ~~2007~~ 2009, include the amount computed for the district under Section ~~206.09.21~~ 269.20.80 of ~~Am. Sub. H.B. 66 119~~ of the ~~126th~~ 127th general assembly, as subsequently amended, instead of division (D) of section 3317.022 of the Revised Code; and include amounts calculated under Section ~~206.09.39~~ 269.30.80 of ~~that~~ this act, as subsequently amended; ~~and account for adjustments under division (C)(2) of section 3310.41 of the Revised Code.~~

(5) "State education aid," for a joint vocational school district, means the sum of the state aid amounts computed for the district under division (N) of section 3317.024 and section 3317.16 of the Revised Code. However, when calculating state education aid for a joint vocational school district for fiscal years ~~2006~~ 2008 and ~~2007~~ 2009, include the amount computed for the district under Section ~~206.09.42~~ 269.30.90 of ~~Am. Sub. H.B. 66 119~~ of the ~~126th~~ 127th general assembly, as subsequently amended.

(6) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5727.85 of the Revised Code.

(7) "Recognized valuation" has the same meaning as in section 3317.02 of the Revised Code.

(8) "Electric company tax value loss" means the amount determined under division (D) of this section.

(9) "Natural gas company tax value loss" means the amount determined under division (E) of this section.

(10) "Tax value loss" means the sum of the electric company tax value loss and the natural gas company tax value loss.

(11) "Fixed-rate levy" means any tax levied on property other than a fixed-sum levy.

(12) "Fixed-rate levy loss" means the amount determined under division (G) of this section.

(13) "Fixed-sum levy" means a tax levied on property at whatever rate is required to produce a specified amount of tax money or levied in excess of the ten-mill limitation to pay debt charges, and includes school district emergency levies imposed pursuant to section 5705.194 of the Revised Code.

(14) "Fixed-sum levy loss" means the amount determined under division

(H) of this section.

(15) "Consumer price index" means the consumer price index (all items, all urban consumers) prepared by the bureau of labor statistics of the United States department of labor.

(B) The kilowatt-hour tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed by section 5727.81 of the Revised Code. All money in the kilowatt-hour tax receipts fund shall be credited as follows:

(1) ~~Fifty-nine and nine hundred seventy-six one-thousandths~~ Sixty-three per cent; shall be credited to the general revenue fund.

(2) ~~Two and six hundred forty-six one-thousandths per cent shall be credited to the local government fund, for distribution in accordance with section 5747.50 of the Revised Code.~~

(3) ~~Three hundred seventy-eight one-thousandths per cent shall be credited to the local government revenue assistance fund, for distribution in accordance with section 5747.61 of the Revised Code.~~

(4) ~~Twenty-five and four-tenths per cent shall be credited to the school district property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5727.85 of the Revised Code.~~

~~(5)~~(3) Eleven and six-tenths per cent shall be credited to the local government property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5727.86 of the Revised Code.

(C) The natural gas tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed by section 5727.811 of the Revised Code. All money in the fund shall be credited as follows:

(1) Sixty-eight and seven-tenths per cent shall be credited to the school district property tax replacement fund for the purpose of making the payments described in section 5727.85 of the Revised Code.

(2) Thirty-one and three-tenths per cent shall be credited to the local government property tax replacement fund for the purpose of making the payments described in section 5727.86 of the Revised Code.

(D) Not later than January 1, 2002, the tax commissioner shall determine for each taxing district its electric company tax value loss, which is the sum of the applicable amounts described in divisions (D)(1) to ~~(3)~~(4) of this section:

(1) The difference obtained by subtracting the amount described in division (D)(1)(b) from the amount described in division (D)(1)(a) of this

section.

(a) The value of electric company and rural electric company tangible personal property as assessed by the tax commissioner for tax year 1998 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 1999, and as apportioned to the taxing district for tax year 1998;

(b) The value of electric company and rural electric company tangible personal property as assessed by the tax commissioner for tax year 1998 had the property been apportioned to the taxing district for tax year 2001, and assessed at the rates in effect for tax year 2001.

(2) The difference obtained by subtracting the amount described in division (D)(2)(b) from the amount described in division (D)(2)(a) of this section.

(a) The three-year average for tax years 1996, 1997, and 1998 of the assessed value from nuclear fuel materials and assemblies assessed against a person under Chapter 5711. of the Revised Code from the leasing of them to an electric company for those respective tax years, as reflected in the preliminary assessments;

(b) The three-year average assessed value from nuclear fuel materials and assemblies assessed under division (D)(2)(a) of this section for tax years 1996, 1997, and 1998, as reflected in the preliminary assessments, using an assessment rate of twenty-five per cent.

(3) In the case of a taxing district having a nuclear power plant within its territory, any amount, resulting in an electric company tax value loss, obtained by subtracting the amount described in division (D)(1) of this section from the difference obtained by subtracting the amount described in division (D)(3)(b) of this section from the amount described in division (D)(3)(a) of this section.

(a) The value of electric company tangible personal property as assessed by the tax commissioner for tax year 2000 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2001, and as apportioned to the taxing district for tax year 2000;

(b) The value of electric company tangible personal property as assessed by the tax commissioner for tax year 2001 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2002, and as apportioned to the taxing district for tax year 2001.

(4) In the case of a taxing district having a nuclear power plant within its territory, the difference obtained by subtracting the amount described in division (D)(4)(b) of this section from the amount described in division (D)(4)(a) of this section, provided that such difference is greater than ten per

cent of the amount described in division (D)(4)(a) of this section.

(a) The value of electric company tangible personal property as assessed by the tax commissioner for tax year 2005 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2006, and as apportioned to the taxing district for tax year 2005;

(b) The value of electric company tangible personal property as assessed by the tax commissioner for tax year 2006 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2007, and as apportioned to the taxing district for tax year 2006.

(E) Not later than January 1, 2002, the tax commissioner shall determine for each taxing district its natural gas company tax value loss, which is the sum of the amounts described in divisions (E)(1) and (2) of this section:

(1) The difference obtained by subtracting the amount described in division (E)(1)(b) from the amount described in division (E)(1)(a) of this section.

(a) The value of all natural gas company tangible personal property, other than property described in division (E)(2) of this section, as assessed by the tax commissioner for tax year 1999 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2000, and apportioned to the taxing district for tax year 1999;

(b) The value of all natural gas company tangible personal property, other than property described in division (E)(2) of this section, as assessed by the tax commissioner for tax year 1999 had the property been apportioned to the taxing district for tax year 2001, and assessed at the rates in effect for tax year 2001.

(2) The difference in the value of current gas obtained by subtracting the amount described in division (E)(2)(b) from the amount described in division (E)(2)(a) of this section.

(a) The three-year average assessed value of current gas as assessed by the tax commissioner for tax years 1997, 1998, and 1999 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2001, and as apportioned in the taxing district for those respective years;

(b) The three-year average assessed value from current gas under division (E)(2)(a) of this section for tax years 1997, 1998, and 1999, as reflected in the preliminary assessment, using an assessment rate of twenty-five per cent.

(F) The tax commissioner may request that natural gas companies, electric companies, and rural electric companies file a report to help determine the tax value loss under divisions (D) and (E) of this section. The report shall be filed within thirty days of the commissioner's request. A

company that fails to file the report or does not timely file the report is subject to the penalty in section 5727.60 of the Revised Code.

(G) Not later than January 1, 2002, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-rate levy loss, which is the sum of its electric company tax value loss multiplied by the tax rate in effect in tax year 1998 for fixed-rate levies and its natural gas company tax value loss multiplied by the tax rate in effect in tax year 1999 for fixed-rate levies.

(H) Not later than January 1, 2002, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss, which is the amount obtained by subtracting the amount described in division (H)(2) of this section from the amount described in division (H)(1) of this section:

(1) The sum of the electric company tax value loss multiplied by the tax rate in effect in tax year 1998, and the natural gas company tax value loss multiplied by the tax rate in effect in tax year 1999, for fixed-sum levies for all taxing districts within each school district, joint vocational school district, and local taxing unit. For the years 2002 through 2006, this computation shall include school district emergency levies that existed in 1998 in the case of the electric company tax value loss, and 1999 in the case of the natural gas company tax value loss, and all other fixed-sum levies that existed in 1998 in the case of the electric company tax value loss and 1999 in the case of the natural gas company tax value loss and continue to be charged in the tax year preceding the distribution year. For the years 2007 through 2016 in the case of school district emergency levies, and for all years after 2006 in the case of all other fixed-sum levies, this computation shall exclude all fixed-sum levies that existed in 1998 in the case of the electric company tax value loss and 1999 in the case of the natural gas company tax value loss, but are no longer in effect in the tax year preceding the distribution year. For the purposes of this section, an emergency levy that existed in 1998 in the case of the electric company tax value loss, and 1999 in the case of the natural gas company tax value loss, continues to exist in a year beginning on or after January 1, 2007, but before January 1, 2017, if, in 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 1998 or 1999, respectively, less the amount of the payment certified under this division for 2002.

(2) The total taxable value in tax year 1999 less the tax value loss in each school district, joint vocational school district, and local taxing unit multiplied by one-fourth of one mill.

If the amount computed under division (H) of this section for any school district, joint vocational school district, or local taxing unit is greater than zero, that amount shall equal the fixed-sum levy loss reimbursed pursuant to division (E) of section 5727.85 of the Revised Code or division (A)(2) of section 5727.86 of the Revised Code, and the one-fourth of one mill that is subtracted under division (H)(2) of this section shall be apportioned among all contributing fixed-sum levies in the proportion of each levy to the sum of all fixed-sum levies within each school district, joint vocational school district, or local taxing unit.

(I) Notwithstanding divisions (D), (E), (G), and (H) of this section, in computing the tax value loss, fixed-rate levy loss, and fixed-sum levy loss, the tax commissioner shall use the greater of the 1998 tax rate or the 1999 tax rate in the case of levy losses associated with the electric company tax value loss, but the 1999 tax rate shall not include for this purpose any tax levy approved by the voters after June 30, 1999, and the tax commissioner shall use the greater of the 1999 or the 2000 tax rate in the case of levy losses associated with the natural gas company tax value loss.

(J) Not later than January 1, 2002, the tax commissioner shall certify to the department of education the tax value loss determined under divisions (D) and (E) of this section for each taxing district, the fixed-rate levy loss calculated under division (G) of this section, and the fixed-sum levy loss calculated under division (H) of this section. The calculations under divisions (G) and (H) of this section shall separately display the levy loss for each levy eligible for reimbursement.

(K) Not later than September 1, 2001, the tax commissioner shall certify the amount of the fixed-sum levy loss to the county auditor of each county in which a school district with a fixed-sum levy loss has territory.

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 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.

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 to the extent required to make any payments in the current fiscal year under that section, and shall transfer the remaining balance to the general revenue fund.

(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 ~~2008~~ 2009. From February ~~2009~~ 2010 to August 2016, the new district shall be paid the lesser of: (i) the amount calculated under division (C)(2) of this section or (ii) an amount equal to the new district's fixed-rate levy loss multiplied by the percentage prescribed by the following schedule:

YEAR	PERCENTAGE
2009	75%
2010	70%
2011	70%
2012	60%
2013	50%
2014	40%
2015	24%
2016	11.5%
2017 and thereafter	0%

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. 5727.86. (A) Not later than January 1, 2002, 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) and division (E) 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 tax commissioner determined, pursuant to division (H) of section 5727.84 of the Revised Code, that a fixed-sum levy loss is to be reimbursed.

(1) Except as provided in divisions (A)(3) and (4) of this section, for fixed-rate levy losses determined under division (G) of section 5727.84 of the Revised Code, payments shall be made in each of the following years at the following percentage of the fixed-rate levy loss certified under division (A) of this section:

YEAR	PERCENTAGE
2002	100%
2003	100%
2004	100%
2005	100%
2006	100%
2007	80%

2008	80%
2009	80%
2010	80%
2011	80%
2012	66.7%
2013	53.4%
2014	40.1%
2015	26.8%
2016	13.5%
2017 and thereafter	0%

(2) For fixed-sum levy losses determined under division (H) of section 5727.84 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 2002 and thereafter.

(3) A local taxing unit in a county of less than two hundred fifty square miles that receives eighty per cent or more of its combined general fund and bond retirement fund revenues from property taxes and rollbacks based on 1997 actual revenues as presented in its 1999 tax budget, and in which electric companies and rural electric companies comprise over twenty per cent of its property valuation, shall receive one hundred per cent of its fixed-rate levy losses from electric company tax value losses certified under division (A) of this section in years 2002 to 2016.

(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.

(B) Beginning in 2003, 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 loss determined under division (H) of section 5727.84 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 divisions (A) and (E) of this section shall be paid from the local government property tax replacement fund to the county undivided income tax fund in the proper county treasury. One-half of the amount certified under those divisions shall be paid between the twenty-first and twenty-eighth days of August and of

February. The county treasurer shall distribute amounts paid 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. ~~Amounts~~ Except in the case of amounts distributed to the county as a local taxing unit, amounts distributed under division (E)(2) of this section shall be credited to the general fund of the local taxing unit that receives them. Amounts distributed to each county as a local taxing unit under division (E)(2) of this section shall be credited in the proportion that the current taxes charged and payable from each levy of or by the county bears to the total current taxes charged and payable from all levies of or by the county.

(D) By February 5, 2002, the tax commissioner shall estimate the amount of money in the local government property tax replacement fund in excess of the amount necessary to make payments in that month under division (C) of this section. Notwithstanding division (A) of this section, the tax commissioner may pay any local taxing unit, from those excess funds, nine and four-tenths times the amount computed for 2002 under division (A)(1) of this section. A payment made under this division shall be in lieu of the payment to be made in February 2002 under division (A)(1) of this section. A local taxing unit receiving a payment under this division will no longer be entitled to any further payments under division (A)(1) of this section. A payment made under this division shall be paid from the local government property tax replacement fund to the county undivided income tax fund in the proper county treasury. The county treasurer shall distribute the payment to the proper local taxing unit as if it 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.

(E)(1) On the thirty-first day of July of 2002, 2003, 2004, 2005, and 2006, and on the thirty-first day of January and July of 2007 and each year thereafter, if the amount credited to the local government property tax replacement fund exceeds the amount needed to be distributed from the fund under division (A) of this section in the following month, the tax commissioner shall distribute the excess to each county as follows:

~~(1)(a)~~ (a) One-half shall be distributed to each county in proportion to each county's population.

~~(2)(b)~~ (b) One-half shall be distributed to each county in the proportion that the amounts determined under divisions (G) and (H) of section 5727.84 of the Revised Code for all local taxing units in the county is of the total

amounts so determined for all local taxing units in the state.

(2) The amounts distributed to each county under ~~this~~ division (E) of this section shall be distributed by the county ~~treasurer~~ auditor to each local taxing unit in the county in the proportion that the unit's current taxes charged and payable are of the total current taxes charged and payable of all the local taxing units in the county. If the amount that the county auditor determines to be distributed to a local taxing unit is less than five dollars, that amount shall not be distributed, and the amount not distributed shall remain credited to the county undivided income tax fund. At the time of the next distribution under division (E)(2) of this section, any amount that had not been distributed in the prior distribution shall be added to the amount available for the next distribution prior to calculation of the amount to be distributed. As used in this division, "current taxes charged and payable" means the taxes charged and payable as most recently determined for local taxing units in the county.

(3) If, in the opinion of the tax commissioner, the excess remaining in the local government property tax replacement fund in any year is not sufficient to warrant distribution under ~~this~~ division (E) of this section, the excess shall remain to the credit of the fund.

(F) From fiscal year 2002 through fiscal year 2016, if the total amount in the local government 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 property tax replacement fund the difference between the total amount to be paid and the amount in the local government 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 95 of the 125th general assembly.

(G) 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 tax commissioner not later than the first day of June of the calendar year in which the payment is to be made.

Sec. 5727.87. (A) As used in this section:

(1) "Administrative fees" means the dollar percentages allowed by the county auditor for services or by the county treasurer as fees, or paid to the

credit of the real estate assessment fund, under divisions (A) and ~~(B)~~(C) of section 319.54 and division (A) of section 321.26 of the Revised Code.

(2) "Administrative fee loss" means a county's loss of administrative fees due to its tax value loss, determined as follows:

(a) For purposes of the determination made under division (B) of this section in the years 2002 through 2006, the administrative fee loss shall be computed by multiplying the amounts determined for all taxing districts in the county under divisions (G) and (H) of section 5727.84 of the Revised Code by nine thousand six hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 1999 exceeded one hundred fifty million dollars, or one and one thousand one hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 1999 were one hundred fifty million dollars or less;

(b) For purposes of the determination under division (B) of this section in the years 2007 through 2011, the administrative fee loss shall be the lesser of the amount computed under division (A)(2)(a) of this section or the amount determined by subtracting from the dollar amount of administrative fees collected in the county in 1999, the dollar amount of administrative fees collected in the county in the current calendar year.

(3) "Total taxes collected" means all money collected on any tax duplicate of the county, other than the estate tax duplicates. "Total taxes collected" does not include amounts received pursuant to divisions (F) and (G) of section 321.24 or section 323.156 of the Revised Code.

(B) Not later than the thirty-first day of December of 2001 through 2005, the tax commissioner shall certify to each county auditor the tax levy losses calculated under divisions (G) and (H) of section 5727.84 of the Revised Code for each school district, joint vocational school district, and local taxing unit in the county. Not later than the thirty-first day of January of 2002 through 2011, the county auditor shall determine the administrative fee loss for the county and apportion that loss ratably among the school districts, joint vocational school districts, and local taxing units on the basis of the tax levy losses certified under this division.

(C) On or before each of the days prescribed for the settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2002 through 2011, the county treasurer shall deduct one-half of the amount apportioned to each school district, joint vocational school district, and local taxing unit from the portions of revenue payable to them.

(D) On or before each of the days prescribed for settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2002 through 2011, the county auditor shall cause to be deposited an amount

equal to one-half of the amount of the administrative fee loss in the same funds as if allowed as administrative fees.

After payment of the administrative fee loss on or before August 10, 2011, all payments under this section shall cease.

Sec. 5733.12. (A) ~~Four and two-tenths per cent of all~~ All payments received from the taxes imposed under sections 5733.06 and 5733.41 of the Revised Code shall be credited to ~~the local government fund for distribution in accordance with section 5747.50 of the Revised Code, six-tenths of one per cent shall be credited to the local government revenue assistance fund for distribution in accordance with section 5747.61 of the Revised Code, and ninety-five and two-tenths per cent shall be credited to~~ the general revenue fund.

(B) Except as otherwise provided under divisions (C) and (D) of this section, an application to refund to the corporation the amount of taxes imposed under section 5733.06 of the Revised Code that are overpaid, paid illegally or erroneously, or paid on any illegal, erroneous, or excessive assessment, with interest thereon as provided by section 5733.26 of the Revised Code, shall be filed with the tax commissioner, on the form prescribed by the commissioner, within three years from the date of the illegal, erroneous, or excessive payment of the tax, or within any additional period allowed by division (C)(2) of section 5733.031, division (D)(2) of section 5733.067, or division (A) of section 5733.11 of the Revised Code. For purposes of division (B) of this section, any payment that the applicant made before the due date or extended due date for filing the report to which the payment relates shall be deemed to have been made on the due date or extended due date.

On the filing of the refund application, the commissioner shall determine the amount of refund to which the applicant is entitled. If the amount is not 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.

(C) "Ninety days" shall be substituted for "three years" in division (B) of this section if the taxpayer satisfies both of the following:

(1) The taxpayer has applied for a refund based in whole or in part upon section 5733.0611 of the Revised Code;

(2) The taxpayer asserts that the imposition or collection of the tax imposed or charged by section 5733.06 of the Revised Code or any portion of such tax violates the Constitution of the United States or the Constitution

of this state.

(D)(1) Division (D)(2) of this section applies only if all of the following conditions are satisfied:

(a) A qualifying pass-through entity pays an amount of the tax imposed by section 5733.41 of the Revised Code;

(b) The taxpayer is a qualifying investor as to that qualifying pass-through entity;

(c) The taxpayer did not claim the credit provided for in section 5733.0611 of the Revised Code as to the tax described in division (D)(1)(a) of this section;

(d) The three-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 this division within one year after the date the payment described in division (D)(1)(a) of this section is made. An application filed under this division shall only claim refund of overpayments resulting from the taxpayer's failure to claim the credit described in division (D)(1)(c) of this section. Nothing in this division shall be construed to relieve a taxpayer from complying with the provisions of division (I)(14) of section 5733.04 of the Revised Code.

Sec. 5733.39. (A) As used in this section:

(1) "Compliance facility" means property that is designed, constructed, or installed, and used, at a coal-fired electric generating facility for the primary purpose of complying with acid rain control requirements under Title IV of the "Clean Air Act Amendments of 1990," 104 Stat. 2584, 42 U.S.C.A. 7651, and that controls or limits emissions of sulfur or nitrogen compounds resulting from the combustion of coal through the removal or reduction of those compounds before, during, or after the combustion of the coal, but before the combustion products are emitted into the atmosphere. "Compliance facility" also includes any of the following:

(a) A facility that removes sulfur compounds from coal before the combustion of the coal and that is located off the premises of the electric generating facility where the coal processed by the compliance facility is burned;

(b) Modifications to the electric generating facility where the compliance facility is constructed or installed that are necessary to accommodate the construction or installation, and operation, of the compliance facility;

(c) A byproduct disposal facility, as defined in section 3734.051 of the Revised Code, that exclusively disposes of wastes produced by the

compliance facility and other coal combustion byproducts produced by the generating unit in or to which the compliance facility is incorporated or connected regardless of whether the byproduct disposal facility is located on the same premises as the compliance facility or generating unit that produces the wastes disposed of at the facility;

(d) Facilities or equipment that is acquired, constructed, or installed, and used, at a coal-fired electric generating facility exclusively for the purpose of handling the byproducts produced by the compliance facility or other coal combustion byproducts produced by the generating unit in or to which the compliance facility is incorporated or connected;

(e) A flue gas desulfurization system that is connected to a coal-fired electric generating unit;

(f) Facilities or equipment acquired, constructed, or installed, and used, at a coal-fired electric generating unit primarily for the purpose of handling the byproducts produced by a compliance facility or other coal combustion byproducts produced by the generating unit in or to which the compliance facility is incorporated or connected.

(2) "Ohio coal" means coal mined from coal deposits in the ground that are located within this state, regardless of the location of the mine's tipple.

(3) "Sale and leaseback transaction" has the same meaning as in section 5727.01 of the Revised Code.

(B) An electric company shall be allowed a nonrefundable credit against the tax imposed by section 5733.06 of the Revised Code for Ohio coal used in any of its coal-fired electric generating units after April 30, 2001, but before January 1, ~~2008~~ 2010. Section 5733.057 of the Revised Code shall apply when calculating the credit allowed by this section. The credit shall be claimed at the following rates per ton of Ohio coal burned in a coal-fired electric generating unit during the taxable year ending immediately preceding the tax year: for tax years before tax year 2006, three dollars per ton; and for tax years 2006, 2007, ~~and 2008,~~ and 2009, one dollar per ton. The credit is allowed only if both of the following conditions are met during such taxable year:

(1) The coal-fired electric generating unit is owned and used by the company claiming the credit or leased and used by that company under a sale and leaseback transaction.

(2) A compliance facility is attached to, incorporated in, or used in conjunction with the coal-fired generating unit.

(C) The credit shall be claimed in the order required under section 5733.98 of the Revised Code. The taxpayer may carry forward any credit amount in excess of its tax due after allowing for any other credits that

precede the credit allowed under this section in the order required under section 5733.98 of the Revised Code. The excess credit may be carried forward for three years following the tax year for which it is claimed under this section.

(D) The director of environmental protection, upon the request of the tax commissioner, shall certify whether a facility is a compliance facility. In the case of a compliance facility owned by an electric company, the public utilities commission shall certify to the tax commissioner the cost of the facility as of the date it was placed in service. In the case of a compliance facility owned by a person other than an electric company, the tax commissioner shall determine the cost of the facility as of the date it was placed in service. If the owner of such a facility fails to furnish the information necessary to make that determination, no credit shall be allowed.

Sec. 5733.48. (A) As used in this section, "alternative fuel," "retail dealer," and "retail service station" have the same meanings as in section 5747.77 of the Revised Code.

(B) There is hereby allowed a nonrefundable credit against the tax imposed by section 5733.06 of the Revised Code for a retail dealer that sells alternative fuel. The credit may be claimed for tax years 2008 and 2009. The credit for tax year 2008 shall equal fifteen cents per gallon of alternative fuel sold and dispensed through a metered pump at the retail dealer's retail service station during any part of calendar year 2007 that is included in the dealer's taxable year ending in 2007. The credit for tax year 2009 shall equal fifteen cents per gallon of alternative fuel sold and dispensed through a metered pump at the retail dealer's retail service station during any part of calendar year 2007 that is included in the dealer's taxable year ending in 2008, plus thirteen cents per gallon of alternative fuel sold and dispensed in that manner during any part of calendar year 2008 that is included in that taxable year. The credit shall be calculated separately for each retail service station owned or operated by the retail dealer.

(C) The retail dealer shall claim the credit under this section in the order prescribed in section 5733.98 of the Revised Code. The credit shall not exceed the amount of tax otherwise due under section 5733.06 of the Revised Code after deducting any other credits that precede the credit claimed under this section in that order.

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 ~~purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311~~ tax years 2008 and 2009 for selling alternative fuel under section 5733.48 of the Revised Code;
- (13) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;
- (14) The job training credit under section 5733.42 of the Revised Code;
- (15) The credit for qualified research expenses under section 5733.351 of the Revised Code;
- (16) The enterprise zone credit under section 5709.66 of the Revised Code;
- (17) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;
- (18) The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;
- (19) The ethanol plant investment credit under section 5733.46 of the Revised Code;
- (20) The credit for purchases of qualifying grape production property

under section 5733.32 of the Revised Code;

(21) The export sales credit under section 5733.069 of the Revised Code;

(22) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;

(23) The enterprise zone credits under section 5709.65 of the Revised Code;

(24) The credit for using Ohio coal under section 5733.39 of the Revised Code;

(25) The credit for small telephone companies under section 5733.57 of the Revised Code;

(26) The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;

(27) 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;

(28) The research and development credit under section 5733.352 of the Revised Code;

(29) 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;

(30) The refundable credit for rehabilitating a historic building under section 5733.47 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 refundable credit under section 5733.49 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 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)(30) to (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. 5739.02. For the purpose of providing revenue with which to meet the needs of the state, for the use of the general revenue fund of the state, for the purpose of securing a thorough and efficient system of common schools

throughout the state, for the purpose of affording revenues, in addition to those from general property taxes, permitted under constitutional limitations, and from other sources, for the support of local governmental functions, and for the purpose of reimbursing the state for the expense of administering this chapter, an excise tax is hereby levied on each retail sale made in this state.

(A)(1) The tax shall be collected as provided in section 5739.025 of the Revised Code, provided that on and after July 1, 2003, and on or before June 30, 2005, the rate of tax shall be six per cent. On and after July 1, 2005, the rate of the tax shall be five and one-half per cent. The tax applies and is collectible when the sale is made, regardless of the time when the price is paid or delivered.

(2) In the case of the lease or rental, with a fixed term of more than thirty days or an indefinite term with a minimum period of more than thirty days, of any motor vehicles designed by the manufacturer to carry a load of not more than one ton, watercraft, outboard motor, or aircraft, or of any tangible personal property, other than motor vehicles designed by the manufacturer to carry a load of more than one ton, to be used by the lessee or renter primarily for business purposes, the tax shall be collected by the vendor at the time the lease or rental is consummated and shall be calculated by the vendor on the basis of the total amount to be paid by the lessee or renter under the lease agreement. If the total amount of the consideration for the lease or rental includes amounts that are not calculated at the time the lease or rental is executed, the tax shall be calculated and collected by the vendor at the time such amounts are billed to the lessee or renter. In the case of an open-end lease or rental, the tax shall be calculated by the vendor on the basis of the total amount to be paid during the initial fixed term of the lease or rental, and for each subsequent renewal period as it comes due. As used in this division, "motor vehicle" has the same meaning as in section 4501.01 of the Revised Code, and "watercraft" includes an outdrive unit attached to the watercraft.

A lease with a renewal clause and a termination penalty or similar provision that applies if the renewal clause is not exercised is presumed to be a sham transaction. In such a case, the tax shall be calculated and paid on the basis of the entire length of the lease period, including any renewal periods, until the termination penalty or similar provision no longer applies. The taxpayer shall bear the burden, by a preponderance of the evidence, that the transaction or series of transactions is not a sham transaction.

(3) Except as provided in division (A)(2) of this section, in the case of a sale, the price of which consists in whole or in part of the lease or rental of

tangible personal property, the tax shall be measured by the installments of that lease or rental.

(4) In the case of a sale of a physical fitness facility service or recreation and sports club service, the price of which consists in whole or in part of a membership for the receipt of the benefit of the service, the tax applicable to the sale shall be measured by the installments thereof.

(B) The tax does not apply to the following:

(1) Sales to the state or any of its political subdivisions, or to any other state or its political subdivisions if the laws of that state exempt from taxation sales made to this state and its political subdivisions;

(2) Sales of food for human consumption off the premises where sold;

(3) Sales of food sold to students only in a cafeteria, dormitory, fraternity, or sorority maintained in a private, public, or parochial school, college, or university;

(4) Sales of newspapers and of magazine subscriptions and sales or transfers of magazines distributed as controlled circulation publications;

(5) The furnishing, preparing, or serving of meals without charge by an employer to an employee provided the employer records the meals as part compensation for services performed or work done;

(6) Sales of motor fuel upon receipt, use, distribution, or sale of which in this state a tax is imposed by the law of this state, but this exemption shall not apply to the sale of motor fuel on which a refund of the tax is allowable under division (A) of section 5735.14 of the Revised Code; and the tax commissioner may deduct the amount of tax levied by this section applicable to the price of motor fuel when granting a refund of motor fuel tax pursuant to division (A) of section 5735.14 of the Revised Code and shall cause the amount deducted to be paid into the general revenue fund of this state;

(7) Sales of natural gas by a natural gas company, of water by a water-works company, or of steam by a heating company, if in each case the thing sold is delivered to consumers through pipes or conduits, and all sales of communications services by a telegraph company, all terms as defined in section 5727.01 of the Revised Code, and sales of electricity delivered through wires;

(8) Casual sales by a person, or auctioneer employed directly by the person to conduct such sales, except as to such sales of motor vehicles, watercraft or outboard motors required to be titled under section 1548.06 of the Revised Code, watercraft documented with the United States coast guard, snowmobiles, and all-purpose vehicles as defined in section 4519.01 of the Revised Code;

(9)(a) Sales of services or tangible personal property, other than motor vehicles, mobile homes, and manufactured homes, by churches, organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, or nonprofit organizations operated exclusively for charitable purposes as defined in division (B)(12) of this section, provided that the number of days on which such tangible personal property or services, other than items never subject to the tax, are sold does not exceed six in any calendar year, except as otherwise provided in division (B)(9)(b) of this section. If the number of days on which such sales are made exceeds six in any calendar year, the church or organization shall be considered to be engaged in business and all subsequent sales by it shall be subject to the tax. In counting the number of days, all sales by groups within a church or within an organization shall be considered to be sales of that church or organization, ~~except that.~~

(b) The limitation on the number of days on which tax-exempt sales may be made by a church or organization under division (B)(9)(a) of this section does not apply to sales made by separate student clubs and other groups of students of a primary or secondary school, and sales made by or a parent-teacher association, booster group, or similar organization that raises money to support or fund curricular or extracurricular activities of a primary or secondary school, shall not be considered to be sales of such school, and sales by each such club, group, association, or organization shall be counted separately for purposes of the six-day limitation. This division does.

(c) Divisions (B)(9)(a) and (b) of this section do not apply to sales by a noncommercial educational radio or television broadcasting station.

(10) Sales not within the taxing power of this state under the Constitution of the United States;

(11) Except for transactions that are sales under division (B)(3)(r) of section 5739.01 of the Revised Code, the transportation of persons or property, unless the transportation is by a private investigation and security service;

(12) Sales of tangible personal property or services to churches, to organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, and to any other nonprofit organizations operated exclusively for charitable purposes in this state, no part of the net income of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation; sales to offices administering one or more homes for the aged or one or more hospital facilities exempt under section 140.08 of the Revised Code; and sales to

organizations described in division (D) of section 5709.12 of the Revised Code.

"Charitable purposes" means the relief of poverty; the improvement of health through the alleviation of illness, disease, or injury; the operation of an organization exclusively for the provision of professional, laundry, printing, and purchasing services to hospitals or charitable institutions; the operation of a home for the aged, as defined in section 5701.13 of the Revised Code; the operation of a radio or television broadcasting station that is licensed by the federal communications commission as a noncommercial educational radio or television station; the operation of a nonprofit animal adoption service or a county humane society; the promotion of education by an institution of learning that maintains a faculty of qualified instructors, teaches regular continuous courses of study, and confers a recognized diploma upon completion of a specific curriculum; the operation of a parent-teacher association, booster group, or similar organization primarily engaged in the promotion and support of the curricular or extracurricular activities of a primary or secondary school; the operation of a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein; the production of performances in music, dramatics, and the arts; or the promotion of education by an organization engaged in carrying on research in, or the dissemination of, scientific and technological knowledge and information primarily for the public.

Nothing in this division shall be deemed to exempt sales to any organization for use in the operation or carrying on of a trade or business, or sales to a home for the aged for use in the operation of independent living facilities as defined in division (A) of section 5709.12 of the Revised Code.

(13) Building and construction materials and services sold to construction contractors for incorporation into a structure or improvement to real property under a construction contract with this state or a political subdivision of this state, or with the United States government or any of its agencies; building and construction materials and services sold to construction contractors for incorporation into a structure or improvement to real property that are accepted for ownership by this state or any of its political subdivisions, or by the United States government or any of its agencies at the time of completion of the structures or improvements; building and construction materials sold to construction contractors for incorporation into a horticulture structure or livestock structure for a person engaged in the business of horticulture or producing livestock; building materials and services sold to a construction contractor for incorporation

into a house of public worship or religious education, or a building used exclusively for charitable purposes under a construction contract with an organization whose purpose is as described in division (B)(12) of this section; building materials and services sold to a construction contractor for incorporation into a building under a construction contract with an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 when the building is to be used exclusively for the organization's exempt purposes; building and construction materials sold for incorporation into the original construction of a sports facility under section 307.696 of the Revised Code; and building and construction materials and services sold to a construction contractor for incorporation into real property outside this state if such materials and services, when sold to a construction contractor in the state in which the real property is located for incorporation into real property in that state, would be exempt from a tax on sales levied by that state;

(14) Sales of ships or vessels or rail rolling stock used or to be used principally in interstate or foreign commerce, and repairs, alterations, fuel, and lubricants for such ships or vessels or rail rolling stock;

(15) Sales to persons primarily engaged in any of the activities mentioned in division (B)(42)(a) or (g) of this section, to persons engaged in making retail sales, or to persons who purchase for sale from a manufacturer tangible personal property that was produced by the manufacturer in accordance with specific designs provided by the purchaser, of packages, including material, labels, and parts for packages, and of machinery, equipment, and material for use primarily in packaging tangible personal property produced for sale, including any machinery, equipment, and supplies used to make labels or packages, to prepare packages or products for labeling, or to label packages or products, by or on the order of the person doing the packaging, or sold at retail. "Packages" includes bags, baskets, cartons, crates, boxes, cans, bottles, bindings, wrappings, and other similar devices and containers, but does not include motor vehicles or bulk tanks, trailers, or similar devices attached to motor vehicles. "Packaging" means placing in a package. Division (B)(15) of this section does not apply to persons engaged in highway transportation for hire.

(16) Sales of food to persons using food stamp benefits to purchase the food. As used in this division, "food" has the same meaning as in the "Food Stamp Act of 1977," 91 Stat. 958, 7 U.S.C. 2012, as amended, and federal regulations adopted pursuant to that act.

(17) Sales to persons engaged in farming, agriculture, horticulture, or floriculture, of tangible personal property for use or consumption directly in

the production by farming, agriculture, horticulture, or floriculture of other tangible personal property for use or consumption directly in the production of tangible personal property for sale by farming, agriculture, horticulture, or floriculture; or material and parts for incorporation into any such tangible personal property for use or consumption in production; and of tangible personal property for such use or consumption in the conditioning or holding of products produced by and for such use, consumption, or sale by persons engaged in farming, agriculture, horticulture, or floriculture, except where such property is incorporated into real property;

(18) Sales of drugs for a human being that may be dispensed only pursuant to a prescription; insulin as recognized in the official United States pharmacopoeia; urine and blood testing materials when used by diabetics or persons with hypoglycemia to test for glucose or acetone; hypodermic syringes and needles when used by diabetics for insulin injections; epoetin alfa when purchased for use in the treatment of persons with medical disease; hospital beds when purchased by hospitals, nursing homes, or other medical facilities; and medical oxygen and medical oxygen-dispensing equipment when purchased by hospitals, nursing homes, or other medical facilities;

(19) Sales of prosthetic devices, durable medical equipment for home use, or mobility enhancing equipment, when made pursuant to a prescription and when such devices or equipment are for use by a human being.

(20) Sales of emergency and fire protection vehicles and equipment to nonprofit organizations for use solely in providing fire protection and emergency services, including trauma care and emergency medical services, for political subdivisions of the state;

(21) Sales of tangible personal property manufactured in this state, if sold by the manufacturer in this state to a retailer for use in the retail business of the retailer outside of this state and if possession is taken from the manufacturer by the purchaser within this state for the sole purpose of immediately removing the same from this state in a vehicle owned by the purchaser;

(22) Sales of services provided by the state or any of its political subdivisions, agencies, instrumentalities, institutions, or authorities, or by governmental entities of the state or any of its political subdivisions, agencies, instrumentalities, institutions, or authorities;

(23) Sales of motor vehicles to nonresidents of this state ~~upon the presentation of an affidavit executed in this state by the nonresident purchaser affirming that the purchaser is a nonresident of this state, that possession of the motor vehicle is taken in this state for the sole purpose of~~

~~immediately removing it from this state, that the motor vehicle will be permanently titled and registered in another state, and that the motor vehicle will not be used in this state~~ under the circumstances described in division (B) of section 5739.029 of the Revised Code;

(24) Sales to persons engaged in the preparation of eggs for sale of tangible personal property used or consumed directly in such preparation, including such tangible personal property used for cleaning, sanitizing, preserving, grading, sorting, and classifying by size; packages, including material and parts for packages, and machinery, equipment, and material for use in packaging eggs for sale; and handling and transportation equipment and parts therefor, except motor vehicles licensed to operate on public highways, used in intraplant or interplant transfers or shipment of eggs in the process of preparation for sale, when the plant or plants within or between which such transfers or shipments occur are operated by the same person. "Packages" includes containers, cases, baskets, flats, fillers, filler flats, cartons, closure materials, labels, and labeling materials, and "packaging" means placing therein.

(25)(a) Sales of water to a consumer for residential use, except the sale of bottled water, distilled water, mineral water, carbonated water, or ice;

(b) Sales of water by a nonprofit corporation engaged exclusively in the treatment, distribution, and sale of water to consumers, if such water is delivered to consumers through pipes or tubing.

(26) Fees charged for inspection or reinspection of motor vehicles under section 3704.14 of the Revised Code;

(27) Sales to persons licensed to conduct a food service operation pursuant to section 3717.43 of the Revised Code, of tangible personal property primarily used directly for the following:

(a) To prepare food for human consumption for sale;

(b) To preserve food that has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for selection by the consumer;

(c) To clean tangible personal property used to prepare or serve food for human consumption for sale.

(28) Sales of animals by nonprofit animal adoption services or county humane societies;

(29) Sales of services to a corporation described in division (A) of section 5709.72 of the Revised Code, and sales of tangible personal property that qualifies for exemption from taxation under section 5709.72 of the Revised Code;

(30) Sales and installation of agricultural land tile, as defined in division

(B)(5)(a) of section 5739.01 of the Revised Code;

(31) Sales and erection or installation of portable grain bins, as defined in division (B)(5)(b) of section 5739.01 of the Revised Code;

(32) The sale, lease, repair, and maintenance of, parts for, or items attached to or incorporated in, motor vehicles that are primarily used for transporting tangible personal property belonging to others by a person engaged in highway transportation for hire, except for packages and packaging used for the transportation of tangible personal property;

(33) Sales to the state headquarters of any veterans' organization in this state that is either incorporated and issued a charter by the congress of the United States or is recognized by the United States veterans administration, for use by the headquarters;

(34) Sales to a telecommunications service vendor, mobile telecommunications service vendor, or satellite broadcasting service vendor of tangible personal property and services used directly and primarily in transmitting, receiving, switching, or recording any interactive, one- or two-way electromagnetic communications, including voice, image, data, and information, through the use of any medium, including, but not limited to, poles, wires, cables, switching equipment, computers, and record storage devices and media, and component parts for the tangible personal property. The exemption provided in this division shall be in lieu of all other exemptions under division (B)(42)(a) of this section to which the vendor may otherwise be entitled, based upon the use of the thing purchased in providing the telecommunications, mobile telecommunications, or satellite broadcasting service.

(35)(a) Sales where the purpose of the consumer is to use or consume the things transferred in making retail sales and consisting of newspaper inserts, catalogues, coupons, flyers, gift certificates, or other advertising material that prices and describes tangible personal property offered for retail sale.

(b) Sales to direct marketing vendors of preliminary materials such as photographs, artwork, and typesetting that will be used in printing advertising material; of printed matter that offers free merchandise or chances to win sweepstake prizes and that is mailed to potential customers with advertising material described in division (B)(35)(a) of this section; and of equipment such as telephones, computers, facsimile machines, and similar tangible personal property primarily used to accept orders for direct marketing retail sales.

(c) Sales of automatic food vending machines that preserve food with a shelf life of forty-five days or less by refrigeration and dispense it to the

consumer.

For purposes of division (B)(35) of this section, "direct marketing" means the method of selling where consumers order tangible personal property by United States mail, delivery service, or telecommunication and the vendor delivers or ships the tangible personal property sold to the consumer from a warehouse, catalogue distribution center, or similar fulfillment facility by means of the United States mail, delivery service, or common carrier.

(36) Sales to a person engaged in the business of horticulture or producing livestock of materials to be incorporated into a horticulture structure or livestock structure;

(37) Sales of personal computers, computer monitors, computer keyboards, modems, and other peripheral computer equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students;

(38) Sales to a professional racing team of any of the following:

(a) Motor racing vehicles;

(b) Repair services for motor racing vehicles;

(c) Items of property that are attached to or incorporated in motor racing vehicles, including engines, chassis, and all other components of the vehicles, and all spare, replacement, and rebuilt parts or components of the vehicles; except not including tires, consumable fluids, paint, and accessories consisting of instrumentation sensors and related items added to the vehicle to collect and transmit data by means of telemetry and other forms of communication.

(39) Sales of used manufactured homes and used mobile homes, as defined in section 5739.0210 of the Revised Code, made on or after January 1, 2000;

(40) Sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; and tangible personal property and services used in the repair and maintenance of the production, transmission, or distribution system, including only those motor vehicles as are specially designed and equipped for such use. The exemption provided in this division shall be in lieu of all other exemptions

in division (B)(42)(a) of this section to which a provider of electricity may otherwise be entitled based on the use of the tangible personal property or service purchased in generating, transmitting, or distributing electricity.

(41) Sales to a person providing services under division (B)(3)(r) of section 5739.01 of the Revised Code of tangible personal property and services used directly and primarily in providing taxable services under that section.

(42) Sales where the purpose of the purchaser is to do any of the following:

(a) To incorporate the thing transferred as a material or a part into tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining; or to use or consume the thing transferred directly in producing tangible personal property for sale by mining, including, without limitation, the extraction from the earth of all substances that are classed geologically as minerals, production of crude oil and natural gas, farming, agriculture, horticulture, or floriculture, or directly in the rendition of a public utility service, except that the sales tax levied by this section shall be collected upon all meals, drinks, and food for human consumption sold when transporting persons. Persons engaged in rendering farming, agricultural, horticultural, or floricultural services, and services in the exploration for, and production of, crude oil and natural gas, for others are deemed engaged directly in farming, agriculture, horticulture, and floriculture, or exploration for, and production of, crude oil and natural gas. This paragraph does not exempt from "retail sale" or "sales at retail" the sale of tangible personal property that is to be incorporated into a structure or improvement to real property.

(b) To hold the thing transferred as security for the performance of an obligation of the vendor;

(c) To resell, hold, use, or consume the thing transferred as evidence of a contract of insurance;

(d) To use or consume the thing directly in commercial fishing;

(e) To incorporate the thing transferred as a material or a part into, or to use or consume the thing transferred directly in the production of, magazines distributed as controlled circulation publications;

(f) To use or consume the thing transferred in the production and preparation in suitable condition for market and sale of printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter;

(g) To use the thing transferred, as described in section 5739.011 of the Revised Code, primarily in a manufacturing operation to produce tangible

personal property for sale;

(h) To use the benefit of a warranty, maintenance or service contract, or similar agreement, as described in division (B)(7) of section 5739.01 of the Revised Code, to repair or maintain tangible personal property, if all of the property that is the subject of the warranty, contract, or agreement would not be subject to the tax imposed by this section;

(i) To use the thing transferred as qualified research and development equipment;

(j) To use or consume the thing transferred primarily in storing, transporting, mailing, or otherwise handling purchased sales inventory in a warehouse, distribution center, or similar facility when the inventory is primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility, to retail stores of an affiliated group of which that person is a member, or by means of direct marketing. This division does not apply to motor vehicles registered for operation on the public highways. As used in this division, "affiliated group" has the same meaning as in division (B)(3)(e) of section 5739.01 of the Revised Code and "direct marketing" has the same meaning as in division (B)(35) of this section.

(k) To use or consume the thing transferred to fulfill a contractual obligation incurred by a warrantor pursuant to a warranty provided as a part of the price of the tangible personal property sold or by a vendor of a warranty, maintenance or service contract, or similar agreement the provision of which is defined as a sale under division (B)(7) of section 5739.01 of the Revised Code;

(l) To use or consume the thing transferred in the production of a newspaper for distribution to the public;

(m) To use tangible personal property to perform a service listed in division (B)(3) of section 5739.01 of the Revised Code, if the property is or is to be permanently transferred to the consumer of the service as an integral part of the performance of the service.

As used in division (B)(42) of this section, "thing" includes all transactions included in divisions (B)(3)(a), (b), and (e) of section 5739.01 of the Revised Code.

(43) Sales conducted through a coin operated device that activates vacuum equipment or equipment that dispenses water, whether or not in combination with soap or other cleaning agents or wax, to the consumer for the consumer's use on the premises in washing, cleaning, or waxing a motor vehicle, provided no other personal property or personal service is provided as part of the transaction.

(44) Sales of replacement and modification parts for engines, airframes, instruments, and interiors in, and paint for, aircraft used primarily in a fractional aircraft ownership program, and sales of services for the repair, modification, and maintenance of such aircraft, and machinery, equipment, and supplies primarily used to provide those services.

(45) Sales of telecommunications service that is used directly and primarily to perform the functions of a call center. As used in this division, "call center" means any physical location where telephone calls are placed or received in high volume for the purpose of making sales, marketing, customer service, technical support, or other specialized business activity, and that employs at least fifty individuals that engage in call center activities on a full-time basis, or sufficient individuals to fill fifty full-time equivalent positions.

(46) Sales by a telecommunications service vendor of 900 service to a subscriber. This division does not apply to information services, as defined in division (FF) of section 5739.01 of the Revised Code.

(47) Sales of value-added non-voice data service. This division does not apply to any similar service that is not otherwise a telecommunications service.

(C) For the purpose of the proper administration of this chapter, and to prevent the evasion of the tax, it is presumed that all sales made in this state are subject to the tax until the contrary is established.

(D) The levy of this tax on retail sales of recreation and sports club service shall not prevent a municipal corporation from levying any tax on recreation and sports club dues or on any income generated by recreation and sports club dues.

(E) The tax collected by the vendor from the consumer under this chapter is not part of the price, but is a tax collection for the benefit of the state, and of counties levying an additional sales tax pursuant to section 5739.021 or 5739.026 of the Revised Code and of transit authorities levying an additional sales tax pursuant to section 5739.023 of the Revised Code. Except for the discount authorized under section 5739.12 of the Revised Code and the effects of any rounding pursuant to section 5703.055 of the Revised Code, no person other than the state or such a county or transit authority shall derive any benefit from the collection or payment of the tax levied by this section or section 5739.021, 5739.023, or 5739.026 of the Revised Code.

Sec. 5739.029. (A) Notwithstanding sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code, and except as otherwise provided in division (B) of this

section, the tax due under this chapter on the sale of a motor vehicle required to be titled under Chapter 4505. of the Revised Code by a motor vehicle dealer to a consumer that is a nonresident of this state shall be the lesser of the amount of tax that would be due under this chapter and Chapter 5741. of the Revised Code if the total combined rate were six per cent, or the amount of tax that would be due, taking into consideration all applicable credits and exemptions, to the state in which the consumer titles or registers the motor vehicle or to which the consumer removes the vehicle for use.

(B) No tax is due under this section, any other section of this chapter, or Chapter 5741. of the Revised Code under any of the following circumstances:

(1)(a) The consumer intends to immediately remove the motor vehicle from this state for use outside this state;

(b) Upon removal of the motor vehicle from this state, the consumer intends to title or register the vehicle in another state if such titling or registration is required;

(c) The consumer executes an affidavit as required under division (C) of this section affirming the consumer's intentions under divisions (B)(1)(a) and (b) of this section; and

(d) The state in which the consumer titles or registers the motor vehicle or to which the consumer removes the vehicle for use provides an exemption under circumstances substantially similar to those described in division (B)(1) of this section.

(2) The state in which the consumer titles or registers the motor vehicle or to which the consumer removes the vehicle for use does not provide a credit against its sales or use tax or similar excise tax for sales or use tax paid to this state.

(3) The state in which the consumer titles or registers the motor vehicle or to which the consumer removes the vehicle for use does not impose a sales or use tax or similar excise tax on the ownership or use of motor vehicles.

(C) Any nonresident consumer that purchases a motor vehicle from a motor vehicle dealer in this state under the circumstances described in divisions (B)(1)(a) and (b) of this section shall execute an affidavit affirming the intentions described in those divisions. The affidavit shall be executed in triplicate and in the form specified by the tax commissioner. The affidavit shall be given to the motor vehicle dealer.

A motor vehicle dealer that accepts in good faith an affidavit presented under this division by a nonresident consumer may rely upon the representations made in the affidavit.

(D) A motor vehicle dealer making a sale subject to the tax under division (A) of this section shall collect the tax due unless the sale is subject to the exception under division (B) of this section or unless the sale is not otherwise subject to taxes levied under sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code. In the case of a sale under the circumstances described in division (B)(1) of this section, the dealer shall retain one copy of the affidavit and file the original and the other copy with the clerk of the court of common pleas. If tax is due under division (A) of this section, the dealer shall remit the tax collected to the clerk at the time the dealer obtains the Ohio certificate of title in the name of the consumer as required under section 4505.06 of the Revised Code. The clerk shall forward the original affidavit to the tax commissioner in the manner prescribed by the commissioner.

Unless a sale is excepted from taxation under division (B) of this section, upon receipt of an application for certificate of title a clerk of the court of common pleas shall collect the sales tax due under division (A) of this section. The clerk shall remit the tax collected to the tax commissioner in the manner prescribed by the commissioner.

(E) If a motor vehicle is purchased by a corporation described in division (B)(6) of section 5739.01 of the Revised Code, the state of residence of the consumer for the purposes of this section is the state of residence of the corporation's principal shareholder.

(F) Any provision of this chapter or of Chapter 5741. of the Revised Code that is not inconsistent with this section applies to sales described in division (A) of this section.

(G) As used in this section:

(1) For the purposes of this section only, the sale or purchase of a motor vehicle does not include a lease or rental of a motor vehicle subject to division (A)(2) or (3) of section 5739.02 or division (A)(2) or (3) of section 5741.02 of the Revised Code:

(2) "State," except in reference to "this state," means any state, district, commonwealth, or territory of the United States.

Sec. 5739.032. (A) If the total amount of tax required to be paid by a permit holder under section 5739.031 of the Revised Code for any calendar year equals or exceeds seventy-five thousand dollars, the permit holder shall remit each monthly tax payment in the second ensuing and each succeeding year by electronic funds transfer as prescribed by division (B) of this section.

If a permit holder's tax payment for each of two consecutive years is less

than seventy-five thousand dollars, the permit holder is relieved of the requirement to remit taxes by electronic funds transfer for the year that next follows the second of the consecutive years in which the tax payment is less than that amount, and is relieved of that requirement for each succeeding year, unless the tax payment in a subsequent year equals or exceeds seventy-five thousand dollars.

The tax commissioner shall notify each permit holder required to remit taxes by electronic funds transfer of the permit holder's obligation to do so, shall maintain an updated list of those permit holders, and shall timely certify the list and any additions thereto or deletions therefrom to the treasurer of state. Failure by the tax commissioner to notify a permit holder subject to this section to remit taxes by electronic funds transfer does not relieve the permit holder of its obligation to remit taxes by electronic funds transfer.

(B) Permit holders required by division (A) of this section to remit payments by electronic funds transfer shall remit such payments to the treasurer of state in the manner prescribed by this section and rules adopted by the treasurer of state under section 113.061 of the Revised Code, and ~~on or before the following dates as follows:~~

~~(1) On or before each of the fifteenth and twenty-fifth days of each month, a permit holder shall remit an amount equal to thirty-seven and one-half per cent of the permit holder's total tax liability for the same month in the preceding calendar year.~~ On or before the twenty-third day of each month, a permit holder shall remit an amount equal to seventy-five per cent of the anticipated tax liability for that month.

(2) On or before the twenty-third day of each month, a permit holder shall report the taxes due for the previous month and shall remit that amount, less any amounts paid for that month as required by division (B)(1) of this section.

The payment of taxes by electronic funds transfer does not affect a permit holder's obligation to file the monthly return as required under section 5739.031 of the Revised Code.

(C) A permit holder required by this section to remit taxes by electronic funds transfer may apply to the treasurer of state in the manner prescribed by the treasurer of state to be excused from that requirement. The treasurer of state may excuse the permit holder from remittance by electronic funds transfer for good cause shown for the period of time requested by the permit holder or for a portion of that period. The treasurer of state shall notify the tax commissioner and the permit holder of the treasurer of state's decision as soon as is practicable.

(D)(1)(a) If a permit holder that is required to remit payments under division (B) of this section fails to make a payment, or makes a payment under division (B)(1) of this section that is less than seventy-five per cent of the actual liability for that month, the commissioner may impose an additional charge not to exceed five per cent of that unpaid amount.

(b) Division (D)(1)(a) of this section does not apply if the permit holder's payment under division (B)(1) of this section is equal to or greater than seventy-five per cent of the permit holder's reported liability for the same month in the immediately preceding calendar year.

(2) If a permit holder required by this section to remit taxes by electronic funds transfer remits those taxes by some means other than by electronic funds transfer as prescribed by this section and the rules adopted by the treasurer of state, and the tax commissioner determines that such failure was not due to reasonable cause or was due to willful neglect, the commissioner may impose an additional charge not to exceed the lesser of five per cent of the amount of the taxes required to be paid by electronic funds transfer or five thousand dollars.

(3) Any additional charge imposed under division (D)(1) or (2) of this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The tax commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

No additional charge shall be imposed under division (D)(2) of this section against a permit holder that has been notified of its obligation to remit taxes under this section and that remits its first two tax payments after such notification by some means other than electronic funds transfer. The additional charge may be imposed upon the remittance of any subsequent tax payment that the permit holder remits by some means other than electronic funds transfer.

Sec. 5739.033. (A) Except as provided in division (B) of this section, divisions (C) to (I) of this section apply to sales made on and after ~~May 1, 2006~~. ~~Sales made before May 1, 2006, are subject to section 5739.035 of the Revised Code. On and after January 1, 2005, any~~ January 1, 2008. Any vendor may previously required to comply with divisions (C) to (I) of this section and any vendor that irrevocably elects to comply with divisions (C) to (I) of this section for all of the vendor's sales and places of business in this state shall continue to source its sales under those divisions.

The amount of tax due pursuant to sections 5739.02, 5739.021,

5739.023, and 5739.026 of the Revised Code is the sum of the taxes imposed pursuant to those sections at the sourcing location of the sale as determined under this section or, if applicable, under division (C) of section 5739.031 or section 5739.034 of the Revised Code, or at the situs of the sale as determined under section 5739.035 of the Revised Code. This section applies only to a vendor's or seller's obligation to collect and remit sales taxes under section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised Code or use taxes under section 5741.02, 5741.021, 5741.022, or 5741.023 of the Revised Code. Division (A) of this section does not apply in determining the jurisdiction for which sellers are required to collect the use tax under section 5741.05 of the Revised Code. This section does not affect the obligation of a consumer to remit use taxes on the storage, use, or other consumption of tangible personal property or on the benefit realized of any service provided, to the jurisdiction of that storage, use, or consumption, or benefit realized.

(B)(1) As used in this division:

(a) "Delivery sale" means the taxable sale of tangible personal property or a service that is received by a consumer, or a donee designated by the consumer, in a taxing jurisdiction that is not the taxing jurisdiction in which the vendor has a fixed place of business.

(b) "Agreement" has the same meaning as in section 5740.01 of the Revised Code.

(c) "Governing board" has the same meaning as in section 5740.02 of the Revised Code.

~~(2)(a) A~~ If the tax commissioner does not make the certification under section 5740.10 of the Revised Code, a vendor that is not required by division (A) of this section to situs sales under divisions (C) to (I) of this section on the date of the commissioner's certification may continue after that date to situs its sales under section 5739.035 of the Revised Code unless it is required, under division (B)(5) of this section, to situs its sales under divisions (C) to (I) of this section.

~~(3) Except as otherwise provided in divisions (B)(4) and (5) of this section, a vendor with total delivery sales within this state in prior calendar year 2005 that are years, beginning with calendar year 2007, of less than thirty million five hundred thousand dollars may continue to situs its sales under section 5739.035 of the Revised Code from May 1, 2006, through April 30, 2007, except that, if the tax commissioner does not enter a determination in the commissioner's journal under division (B)(2)(b) of this section, those dates shall be May 1, 2006, through December 31, 2007.~~

~~(b) On or before February 1, 2007, the tax commissioner shall determine~~

~~whether certified service provider services are being provided by the governing board of the streamlined sales and use tax agreement for all delivery sales. If the commissioner determines that such services are being so provided, the commissioner shall enter the determination in the commissioner's journal and shall provide notice of the determination on the department of taxation's official internet web site. If the commissioner makes such an entry in the journal, then a vendor with total delivery sales in calendar year 2006 that are less than five million dollars may continue to situs its sales under section 5739.035 of the Revised Code from May 1, 2007, through December 31, 2007.~~

~~(3) Beginning January 1, 2008, all vendors shall source their sales under divisions (C) to (I) of this section.~~

~~(4) Once a vendor has total delivery sales that exceed the dollar amount in division (B)(2)(a) or (b) of this section in this state of five hundred thousand dollars or more for a prior calendar year, the vendor shall source its sales under divisions (C) to (I) of this section and shall continue to source its sales under those divisions; regardless of the amount of the vendor's total delivery sales in future years.~~

~~(5) A vendor permitted under division (B)(3) of this section to situs its sales under section 5739.035 of the Revised Code that fails to provide, absent a clerical error, the notices required under division (I)(1) of section 5739.035 of the Revised Code shall situs all subsequent sales as required under divisions (C) to (I) of this section.~~

(C) Except for sales, other than leases, of titled motor vehicles, titled watercraft, or titled outboard motors as provided in section 5741.05 of the Revised Code, or as otherwise provided in this section and section 5739.034 of the Revised Code, all sales shall be sourced as follows:

(1) If the consumer or a donee designated by the consumer receives tangible personal property or a service at a vendor's place of business, the sale shall be sourced to that place of business.

(2) When the tangible personal property or service is not received at a vendor's place of business, the sale shall be sourced to the location known to the vendor where the consumer or the donee designated by the consumer receives the tangible personal property or service, including the location indicated by instructions for delivery to the consumer or the consumer's donee.

(3) If divisions (C)(1) and (2) of this section do not apply, the sale shall be sourced to the location indicated by an address for the consumer that is available from the vendor's business records that are maintained in the ordinary course of the vendor's business, when use of that address does not

constitute bad faith.

(4) If divisions (C)(1), (2), and (3) of this section do not apply, the sale shall be sourced to the location indicated by an address for the consumer obtained during the consummation of the sale, including the address associated with the consumer's payment instrument, if no other address is available, when use of that address does not constitute bad faith.

(5) If divisions (C)(1), (2), (3), and (4) of this section do not apply, including in the circumstance where the vendor is without sufficient information to apply any of those divisions, the sale shall be sourced to the address from which tangible personal property was shipped, or from which the service was provided, disregarding any location that merely provided the electronic transfer of the property sold or service provided.

(6) As used in division (C) of this section, "receive" means taking possession of tangible personal property or making first use of a service. "Receive" does not include possession by a shipping company on behalf of a consumer.

(D)(1)(a) Notwithstanding divisions (C)(1) to (5) of this section, a business consumer that is not a holder of a direct payment permit granted under section 5739.031 of the Revised Code, that purchases a digital good, computer software, except computer software received in person by a business consumer at a vendor's place of business, or a service, and that knows at the time of purchase that such digital good, software, or service will be concurrently available for use in more than one taxing jurisdiction shall deliver to the vendor in conjunction with its purchase an exemption certificate claiming multiple points of use, or shall meet the requirements of division (D)(2) of this section. On receipt of the exemption certificate claiming multiple points of use, the vendor is relieved of its obligation to collect, pay, or remit the tax due, and the business consumer must pay the tax directly to the state.

(b) A business consumer that delivers the exemption certificate claiming multiple points of use to a vendor may use any reasonable, consistent, and uniform method of apportioning the tax due on the digital good, computer software, or service that is supported by the consumer's business records as they existed at the time of the sale. The business consumer shall report and pay the appropriate tax to each jurisdiction where concurrent use occurs. The tax due shall be calculated as if the apportioned amount of the digital good, computer software, or service had been delivered to each jurisdiction to which the sale is apportioned under this division.

(c) The exemption certificate claiming multiple points of use shall remain in effect for all future sales by the vendor to the business consumer

until it is revoked in writing by the business consumer, except as to the business consumer's specific apportionment of a subsequent sale under division (D)(1)(b) of this section and the facts existing at the time of the sale.

(2) When the vendor knows that a digital good, computer software, or service sold will be concurrently available for use by the business consumer in more than one jurisdiction, but the business consumer does not provide an exemption certificate claiming multiple points of use as required by division (D)(1) of this section, the vendor may work with the business consumer to produce the correct apportionment. Governed by the principles of division (D)(1)(b) of this section, the vendor and business consumer may use any reasonable, but consistent and uniform, method of apportionment that is supported by the vendor's and business consumer's books and records as they exist at the time the sale is reported for purposes of the taxes levied under this chapter. If the business consumer certifies to the accuracy of the apportionment and the vendor accepts the certification, the vendor shall collect and remit the tax accordingly. In the absence of bad faith, the vendor is relieved of any further obligation to collect tax on any transaction where the vendor has collected tax pursuant to the information certified by the business consumer.

(3) When the vendor knows that the digital good, computer software, or service will be concurrently available for use in more than one jurisdiction, and the business consumer does not have a direct pay permit and does not provide to the vendor an exemption certificate claiming multiple points of use as required in division (D)(1) of this section, or certification pursuant to division (D)(2) of this section, the vendor shall collect and remit the tax based on division (C) of this section.

(4) Nothing in this section shall limit a person's obligation for sales or use tax to any state in which a digital good, computer software, or service is concurrently available for use, nor limit a person's ability under local, state, or federal law, to claim a credit for sales or use taxes legally due and paid to other jurisdictions.

(E) A person who holds a direct payment permit issued under section 5739.031 of the Revised Code is not required to deliver an exemption certificate claiming multiple points of use to a vendor. But such permit holder shall comply with division (D)(2) of this section in apportioning the tax due on a digital good, computer software, or a service for use in business that will be concurrently available for use in more than one taxing jurisdiction.

(F)(1) Notwithstanding divisions (C)(1) to (5) of this section, the

consumer of direct mail that is not a holder of a direct payment permit shall provide to the vendor in conjunction with the sale either an exemption certificate claiming direct mail prescribed by the tax commissioner, or information to show the jurisdictions to which the direct mail is delivered to recipients.

(2) Upon receipt of such exemption certificate, the vendor is relieved of all obligations to collect, pay, or remit the applicable tax and the consumer is obligated to pay that tax on a direct pay basis. An exemption certificate claiming direct mail shall remain in effect for all future sales of direct mail by the vendor to the consumer until it is revoked in writing.

(3) Upon receipt of information from the consumer showing the jurisdictions to which the direct mail is delivered to recipients, the vendor shall collect the tax according to the delivery information provided by the consumer. In the absence of bad faith, the vendor is relieved of any further obligation to collect tax on any transaction where the vendor has collected tax pursuant to the delivery information provided by the consumer.

(4) If the consumer of direct mail does not have a direct payment permit and does not provide the vendor with either an exemption certificate claiming direct mail or delivery information as required by division (F)(1) of this section, the vendor shall collect the tax according to division (C)(5) of this section. Nothing in division (F)(4) of this section shall limit a consumer's obligation to pay sales or use tax to any state to which the direct mail is delivered.

(5) If a consumer of direct mail provides the vendor with documentation of direct payment authority, the consumer shall not be required to provide an exemption certificate claiming direct mail or delivery information to the vendor.

(G) If the vendor provides lodging to transient guests as specified in division (B)(2) of section 5739.01 of the Revised Code, the sale shall be sourced to the location where the lodging is located.

(H)(1) As used in this division and division (I) of this section, "transportation equipment" means any of the following:

(a) Locomotives and railcars that are utilized for the carriage of persons or property in interstate commerce.

(b) Trucks and truck-tractors with a gross vehicle weight rating of greater than ten thousand pounds, trailers, semi-trailers, or passenger buses that are registered through the international registration plan and are operated under authority of a carrier authorized and certificated by the United States department of transportation or another federal authority to engage in the carriage of persons or property in interstate commerce.

(c) Aircraft that are operated by air carriers authorized and certificated by the United States department of transportation or another federal authority to engage in the carriage of persons or property in interstate or foreign commerce.

(d) Containers designed for use on and component parts attached to or secured on the items set forth in division (H)(1)(a), (b), or (c) of this section.

(2) A sale, lease, or rental of transportation equipment shall be sourced pursuant to division (C) of this section.

(I)(1) A lease or rental of tangible personal property that does not require recurring periodic payments shall be sourced pursuant to division (C) of this section.

(2) A lease or rental of tangible personal property that requires recurring periodic payments shall be sourced as follows:

(a) In the case of a motor vehicle, other than a motor vehicle that is transportation equipment, or an aircraft, other than an aircraft that is transportation equipment, such lease or rental shall be sourced as follows:

(i) An accelerated tax payment on a lease or rental taxed pursuant to division (A)(2) of section 5739.02 of the Revised Code shall be sourced to the primary property location at the time the lease or rental is consummated. Any subsequent taxable charges on the lease or rental shall be sourced to the primary property location for the period in which the charges are incurred.

(ii) For a lease or rental taxed pursuant to division (A)(3) of section 5739.02 of the Revised Code, each lease or rental installment shall be sourced to the primary property location for the period covered by the installment.

(b) In the case of a lease or rental of all other tangible personal property, other than transportation equipment, such lease or rental shall be sourced as follows:

(i) An accelerated tax payment on a lease or rental that is taxed pursuant to division (A)(2) of section 5739.02 of the Revised Code shall be sourced pursuant to division (C) of this section at the time the lease or rental is consummated. Any subsequent taxable charges on the lease or rental shall be sourced to the primary property location for the period in which the charges are incurred.

(ii) For a lease or rental that is taxed pursuant to division (A)(3) of section 5739.02 of the Revised Code, the initial lease or rental installment shall be sourced pursuant to division (C) of this section. Each subsequent installment shall be sourced to the primary property location for the period covered by the installment.

(3) As used in division (I) of this section, "primary property location"

means an address for tangible personal property provided by the lessee or renter that is available to the lessor or owner from its records maintained in the ordinary course of business, when use of that address does not constitute bad faith.

Sec. 5739.035. This section only applies to sales that ~~are required to~~ may be sitused under this section pursuant to division ~~(A) or~~ (B) of section 5739.033 of the Revised Code.

(A) Except as otherwise provided in this section, the situs of all sales is the vendor's place of business.

(1) If the consumer or the consumer's agent takes possession of the tangible personal property at a place of business of the vendor where the purchase contract or agreement was made, the situs of the sale is that place of business.

(2) If the consumer or the consumer's agent takes possession of the tangible personal property other than at a place of business of the vendor, or takes possession at a warehouse or similar facility of the vendor, the situs of the sale is the vendor's place of business where the purchase contract or agreement was made or the purchase order was received.

(3) If the vendor provides a service specified in division (B)(3)(a), (b), (c), (d), (n), (o), (q), (r), or (s) of section 5739.01 or makes a sale specified in division (B)(8) of section 5739.01 of the Revised Code, the situs of the sale is the vendor's place of business where the service is performed or the contract or agreement for the service was made or the purchase order was received.

(B) If the vendor is a transient vendor as specified in division (B) of section 5739.17 of the Revised Code, the situs of the sale is the vendor's temporary place of business or, if the transient vendor is the lessor of titled motor vehicles, titled watercraft, or titled outboard motors, at the location where the lessee keeps the leased property.

(C) If the vendor makes sales of tangible personal property from a stock of goods carried in a motor vehicle, from which the purchaser makes selection and takes possession, or from which the vendor sells tangible personal property the quantity of which has not been determined prior to the time the purchaser takes possession, the situs of the sale is the location of the motor vehicle when the sale is made.

(D) If the vendor is a delivery vendor as specified in division (D) of section 5739.17 of the Revised Code, the situs of the sale is the place where the tangible personal property is delivered, where the leased property is used, or where the service is performed or received.

(E) If the vendor provides a service specified in division (B)(3)(e), (g),

(h), (j), (k), (l), (m), (p), or (t) of section 5739.01 of the Revised Code, the situs of the sale is the location of the consumer where the service is performed or received.

(F) If the vendor provides lodging to transient guests as specified in division (B)(2) of section 5739.01 of the Revised Code, the situs of the sale is the location where the lodging is located.

(G) If the vendor sells a warranty, maintenance or service contract, or similar agreement as specified in division (B)(7) of section 5739.01 of the Revised Code and the vendor is a delivery vendor, the situs of the sale is the location of the consumer. If the vendor is not a delivery vendor, the situs of the sale is the vendor's place of business where the contract or agreement was made, unless the warranty or contract is a component of the sale of a titled motor vehicle, titled watercraft, or titled outboard motor, in which case the situs of the sale is the county of titling.

(H) Except as otherwise provided in this division, if the vendor sells a prepaid authorization number or a prepaid telephone calling card, the situs of the sale is the vendor's place of business and shall be taxed at the time of sale. If the vendor sells a prepaid authorization number or prepaid telephone calling card through a telephone call, electronic commerce, or any other form of remote commerce, the situs of the sale is the consumer's shipping address, or, if there is no item shipped, at the consumer's billing address.

(I) Division (I) of this section applies only if the tax commissioner makes the certification provided under section 5740.10 of the Revised Code.

(1) In each delivery sale by a vendor permitted to situs its sales under this section, the vendor shall clearly indicate on the invoice or other similar document provided to the purchaser at the time of the sale that the vendor is a vendor permitted to situs its sales under this section.

(2) A purchaser that receives tangible personal property or services in a delivery sale from a vendor permitted to situs its sales under this section may claim a refund of the tax the vendor collected and remitted on the sale in an amount equal to the excess of the tax collected and remitted over the tax that would have been due if the sale had been sitused to the tax jurisdiction in which the purchaser received the property or service.

A refund is authorized under this division only if the invoice or other similar document provided to the purchaser at the time of the sale includes the notice required under division (I)(1) of this section.

Refunds shall be filed directly with the tax commissioner and claimed in the manner prescribed by section 5739.07 of the Revised Code.

(3) A purchaser of tangible personal property from a vendor permitted to situs its sales under this section that removes the property from the tax

jurisdiction in which the resident received the property is liable for additional tax in an amount equal to the excess of the tax that would have been due on the sale if the sale had been sitused to the tax jurisdiction to which the purchaser removed the property over the tax that the vendor collected and remitted on the sale.

(4) Nothing in this section relieves a person claiming to be authorized to situs sales under this section, but not so authorized, from liability for tax, penalty, interest, or additional charges imposed under this chapter for failure to collect the amount of tax lawfully due applying the situsing provisions of divisions (C) to (I) of section 5739.033 of the Revised Code.

(5) For the purposes of division (I) of this section, "delivery sale" has the same meaning as in section 5739.033 of the Revised Code, and "tax jurisdiction" has the same meaning as in section 5739.24 of the Revised Code.

Sec. 5739.09. (A)(1) A board of county commissioners may, by resolution adopted by a majority of the members of the board, levy an excise tax not to exceed three per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The board shall establish all regulations necessary to provide for the administration and allocation of the tax. The regulations may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. Except as provided in divisions (A)(2), (3), (4), ~~and (5)~~, (6), and (7) of this section, the regulations shall provide, after deducting the real and actual costs of administering the tax, for the return to each municipal corporation or township that does not levy an excise tax on the transactions, a uniform percentage of the tax collected in the municipal corporation or in the unincorporated portion of the township from each transaction, not to exceed thirty-three and one-third per cent. The remainder of the revenue arising from the tax shall be deposited in a separate fund and shall be spent solely to make contributions to the convention and visitors' bureau operating within the county, including a pledge and contribution of any portion of the remainder pursuant to an agreement authorized by section 307.695 of the Revised Code, provided that if the board of county commissioners of an eligible county as defined in section 307.695 of the Revised Code adopts a resolution amending a resolution levying a tax under this division to provide that the revenue from the tax shall be used by the board as described in division (H) of section 307.695 of the Revised Code, the remainder of the

revenue shall be used as described in the resolution making that amendment. Except as provided in division (A)(2), (3), (4), ~~or (5), (6), or (7)~~ or (H) of this section, on and after May 10, 1994, a board of county commissioners may not levy an excise tax pursuant to this division in any municipal corporation or township located wholly or partly within the county that has in effect an ordinance or resolution levying an excise tax pursuant to division (B) of this section. The board of a county that has levied a tax under division (C) of this section may, by resolution adopted within ninety days after July 15, 1985, by a majority of the members of the board, amend the resolution levying a tax under this division to provide for a portion of that tax to be pledged and contributed in accordance with an agreement entered into under section 307.695 of the Revised Code. A tax, any revenue from which is pledged pursuant to such an agreement, shall remain in effect at the rate at which it is imposed for the duration of the period for which the revenue from the tax has been so pledged.

The board of county commissioners of an eligible county as defined in section 307.695 of the Revised Code may, by resolution adopted by a majority of the members of the board, amend a resolution levying a tax under this division to provide that the revenue from the tax shall be used by the board as described in division (H) of section 307.695 of the Revised Code, in which case the tax shall remain in effect at the rate at which it was imposed for the duration of any agreement entered into by the board under section 307.695 of the Revised Code, the duration during which any securities issued by the board under that section are outstanding, or the duration of the period during which the board owns a project as defined in section 307.695 of the Revised Code, whichever duration is longest.

(2) A board of county commissioners that levies an excise tax under division (A)(1) of this section on June 30, 1997, at a rate of three per cent, and that has pledged revenue from the tax to an agreement entered into under section 307.695 of the Revised Code or, in the case of the board of county commissioners of an eligible county as defined in section 307.695 of the Revised Code, has amended a resolution levying a tax under division (C) of this section to provide that proceeds from the tax shall be used by the board as described in division (H) of section 307.695 of the Revised Code, may, at any time by a resolution adopted by a majority of the members of the board, amend the resolution levying a tax under division (A)(1) of this section to provide for an increase in the rate of that tax up to seven per cent on each transaction; to provide that revenue from the increase in the rate shall be used as described in division (H) of section 307.695 of the Revised Code or be spent solely to make contributions to the convention and visitors'

bureau operating within the county to be used specifically for promotion, advertising, and marketing of the region in which the county is located; and to provide that the rate in excess of the three per cent levied under division (A)(1) of this section shall remain in effect at the rate at which it is imposed for the duration of the period during which any agreement is in effect that was entered into under section 307.695 of the Revised Code by the board of county commissioners levying a tax under division (A)(1) of this section, the duration of the period during which any securities issued by the board under division (I) of section 307.695 of the Revised Code are outstanding, or the duration of the period during which the board owns a project as defined in section 307.695 of the Revised Code, whichever duration is longest. The amendment also shall provide that no portion of that revenue need be returned to townships or municipal corporations as would otherwise be required under division (A)(1) of this section.

(3) A board of county commissioners that levies a tax under division (A)(1) of this section on March 18, 1999, at a rate of three per cent may, by resolution adopted not later than forty-five days after March 18, 1999, amend the resolution levying the tax to provide for all of the following:

(a) That the rate of the tax shall be increased by not more than an additional four per cent on each transaction;

(b) That all of the revenue from the increase in the rate shall be pledged and contributed to a convention facilities authority established by the board of county commissioners under Chapter 351. of the Revised Code on or before November 15, 1998, and used to pay costs of constructing, maintaining, operating, and promoting a facility in the county, including paying bonds, or notes issued in anticipation of bonds, as provided by that chapter;

(c) That no portion of the revenue arising from the increase in rate need be returned to municipal corporations or townships as otherwise required under division (A)(1) of this section;

(d) That the increase in rate shall not be subject to diminution by initiative or referendum or by law while any bonds, or notes in anticipation of bonds, issued by the authority under Chapter 351. of the Revised Code to which the revenue is pledged, remain outstanding in accordance with their terms, unless provision is made by law or by the board of county commissioners for an adequate substitute therefor that is satisfactory to the trustee if a trust agreement secures the bonds.

Division (A)(3) of this section does not apply to the board of county commissioners of any county in which a convention center or facility exists or is being constructed on November 15, 1998, or of any county in which a

convention facilities authority levies a tax pursuant to section 351.021 of the Revised Code on that date.

As used in division (A)(3) of this section, "cost" and "facility" have the same meanings as in section 351.01 of the Revised Code, and "convention center" has the same meaning as in section 307.695 of the Revised Code.

(4) A board of county commissioners that levies a tax under division (A)(1) of this section on June 30, 2002, at a rate of three per cent may, by resolution adopted not later than September 30, 2002, amend the resolution levying the tax to provide for all of the following:

(a) That the rate of the tax shall be increased by not more than an additional three and one-half per cent on each transaction;

(b) That all of the revenue from the increase in rate shall be pledged and contributed to a convention facilities authority established by the board of county commissioners under Chapter 351. of the Revised Code on or before May 15, 2002, and be used to pay costs of constructing, expanding, maintaining, operating, or promoting a convention center in the county, including paying bonds, or notes issued in anticipation of bonds, as provided by that chapter;

(c) That no portion of the revenue arising from the increase in rate need be returned to municipal corporations or townships as otherwise required under division (A)(1) of this section;

(d) That the increase in rate shall not be subject to diminution by initiative or referendum or by law while any bonds, or notes in anticipation of bonds, issued by the authority under Chapter 351. of the Revised Code to which the revenue is pledged, remain outstanding in accordance with their terms, unless provision is made by law or by the board of county commissioners for an adequate substitute therefor that is satisfactory to the trustee if a trust agreement secures the bonds.

As used in division (A)(4) of this section, "cost" has the same meaning as in section 351.01 of the Revised Code, and "convention center" has the same meaning as in section 307.695 of the Revised Code.

(5)(a) As used in division (A)(5) of this section:

(i) "Port authority" means a port authority created under Chapter 4582. of the Revised Code.

(ii) "Port authority military-use facility" means port authority facilities on which or adjacent to which is located an installation of the armed forces of the United States, a reserve component thereof, or the national guard and at least part of which is made available for use, for consideration, by the armed forces of the United States, a reserve component thereof, or the national guard.

(b) For the purpose of contributing revenue to pay operating expenses of a port authority that operates a port authority military-use facility, the board of county commissioners of a county that created, participated in the creation of, or has joined such a port authority may do one or both of the following:

(i) Amend a resolution previously adopted under division (A)(1) of this section to designate some or all of the revenue from the tax levied under the resolution to be used for that purpose, notwithstanding that division;

(ii) Amend a resolution previously adopted under division (A)(1) of this section to increase the rate of the tax by not more than an additional two per cent and use the revenue from the increase exclusively for that purpose.

(c) If a board of county commissioners amends a resolution to increase the rate of a tax as authorized in division (A)(5)(b)(ii) of this section, the board also may amend the resolution to specify that the increase in rate of the tax does not apply to "hotels," as otherwise defined in section 5739.01 of the Revised Code, having fewer rooms used for the accommodation of guests than a number of rooms specified by the board.

(6) A board of county commissioners of a county organized under a county charter adopted pursuant to Article X, Section 3, Ohio Constitution, and that levies an excise tax under division (A)(1) of this section at a rate of three per cent and levies an additional excise tax under division (E) of this section at a rate of one and one-half per cent may, by resolution adopted not later than January 1, 2008, by a majority of the members of the board, amend the resolution levying a tax under division (A)(1) of this section to provide for an increase in the rate of that tax by not more than an additional one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Notwithstanding divisions (A)(1) and (E) of this section, the resolution shall provide that all of the revenue from the increase in rate, after deducting the real and actual costs of administering the tax, shall be used to pay the costs of improving, expanding, equipping, financing, or operating a convention center by a convention and visitors' bureau in the county. The increase in rate shall remain in effect for the period specified in the resolution, not to exceed ten years. The increase in rate shall be subject to the regulations adopted under division (A)(1) of this section, except that the resolution may provide that no portion of the revenue from the increase in the rate shall be returned to townships or municipal corporations as would otherwise be required under that division.

(7) Division (A)(7) of this section applies only to a county with a population greater than sixty-five thousand and less than seventy thousand according to the most recent federal decennial census and in which, on

December 31, 2006, an excise tax is levied under division (A)(1) of this section at a rate not less than and not greater than three per cent, and in which the most recent increase in the rate of that tax was enacted or took effect in November 1984.

The board of county commissioners of a county to which this division applies, by resolution adopted by a majority of the members of the board, may increase the rate of the tax by not more than one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The increase in rate shall be for the purpose of paying expenses deemed necessary by the convention and visitors' bureau operating in the county to promote travel and tourism. The increase in rate shall remain in effect for the period specified in the resolution, not to exceed twenty years, provided that the increase in rate may not continue beyond the time when the purpose for which the increase is levied ceases to exist. If revenue from the increase in rate is pledged to the payment of debt charges on securities, the increase in rate is not subject to diminution by initiative or referendum or by law for so long as the securities are outstanding, unless provision is made by law or by the board of county commissioners for an adequate substitute for that revenue that is satisfactory to the trustee if a trust agreement secures payment of the debt charges. The increase in rate shall be subject to the regulations adopted under division (A)(1) of this section, except that the resolution may provide that no portion of the revenue from the increase in the rate shall be returned to townships or municipal corporations as would otherwise be required under division (A)(1) of this section. A resolution adopted under division (A)(7) of this section is subject to referendum under sections 305.31 to 305.99 of the Revised Code.

(B)(1) The legislative authority of a municipal corporation or the board of trustees of a township that is not wholly or partly located in a county that has in effect a resolution levying an excise tax pursuant to division (A)(1) of this section may, by ordinance or resolution, levy an excise tax not to exceed three per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The legislative authority of the municipal corporation or the board of trustees of the township shall deposit at least fifty per cent of the revenue from the tax levied pursuant to this division into a separate fund, which shall be spent solely to make contributions to convention and visitors' bureaus operating within the county in which the municipal corporation or township is wholly or partly located, and the balance of that revenue shall be deposited in the general fund. The municipal corporation or township shall establish all regulations necessary to provide for the administration and allocation of the tax. The regulations

may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. The levy of a tax under this division is in addition to any tax imposed on the same transaction by a municipal corporation or a township as authorized by division (A) of section 5739.08 of the Revised Code.

(2) The legislative authority of the most populous municipal corporation located wholly or partly in a county in which the board of county commissioners has levied a tax under division (A)(4) of this section may amend, on or before September 30, 2002, that municipal corporation's ordinance or resolution that levies an excise tax on transactions by which lodging by a hotel is or is to be furnished to transient guests, to provide for all of the following:

(a) That the rate of the tax shall be increased by not more than an additional one per cent on each transaction;

(b) That all of the revenue from the increase in rate shall be pledged and contributed to a convention facilities authority established by the board of county commissioners under Chapter 351. of the Revised Code on or before May 15, 2002, and be used to pay costs of constructing, expanding, maintaining, operating, or promoting a convention center in the county, including paying bonds, or notes issued in anticipation of bonds, as provided by that chapter;

(c) That the increase in rate shall not be subject to diminution by initiative or referendum or by law while any bonds, or notes in anticipation of bonds, issued by the authority under Chapter 351. of the Revised Code to which the revenue is pledged, remain outstanding in accordance with their terms, unless provision is made by law, by the board of county commissioners, or by the legislative authority, for an adequate substitute therefor that is satisfactory to the trustee if a trust agreement secures the bonds.

As used in division (B)(2) of this section, "cost" has the same meaning as in section 351.01 of the Revised Code, and "convention center" has the same meaning as in section 307.695 of the Revised Code.

(C) For the purposes described in section 307.695 of the Revised Code and to cover the costs of administering the tax, a board of county commissioners of a county where a tax imposed under division (A)(1) of this section is in effect may, by resolution adopted within ninety days after July 15, 1985, by a majority of the members of the board, levy an additional

excise tax not to exceed three per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The tax authorized by this division shall be in addition to any tax that is levied pursuant to division (A) of this section, but it shall not apply to transactions subject to a tax levied by a municipal corporation or township pursuant to the authorization granted by division (A) of section 5739.08 of the Revised Code. The board shall establish all regulations necessary to provide for the administration and allocation of the tax. The regulations may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. All revenues arising from the tax shall be expended in accordance with section 307.695 of the Revised Code. The board of county commissioners of an eligible county as defined in section 307.695 of the Revised Code may, by resolution adopted by a majority of the members of the board, amend the resolution levying a tax under this division to provide that the revenue from the tax shall be used by the board as described in division (H) of section 307.695 of the Revised Code. A tax imposed under this division shall remain in effect at the rate at which it is imposed for the duration of the period during which any agreement entered into by the board under section 307.695 of the Revised Code is in effect, the duration of the period during which any securities issued by the board under division (I) of section 307.695 of the Revised Code are outstanding, or the duration of the period during which the board owns a project as defined in section 307.695 of the Revised Code, whichever duration is longest.

(D) For the purpose of providing contributions under division (B)(1) of section 307.671 of the Revised Code to enable the acquisition, construction, and equipping of a port authority educational and cultural facility in the county and, to the extent provided for in the cooperative agreement authorized by that section, for the purpose of paying debt service charges on bonds, or notes in anticipation of bonds, described in division (B)(1)(b) of that section, a board of county commissioners, by resolution adopted within ninety days after December 22, 1992, by a majority of the members of the board, may levy an additional excise tax not to exceed one and one-half per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The excise tax authorized by this division shall be in addition to any tax that is levied pursuant to divisions (A), (B), and (C) of this section, to any excise tax levied pursuant to section 5739.08 of the Revised Code, and to any excise tax levied pursuant to section 351.021 of

the Revised Code. The board of county commissioners shall establish all regulations necessary to provide for the administration and allocation of the tax that are not inconsistent with this section or section 307.671 of the Revised Code. The regulations may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. All revenues arising from the tax shall be expended in accordance with section 307.671 of the Revised Code and division (D) of this section. The levy of a tax imposed under this division may not commence prior to the first day of the month next following the execution of the cooperative agreement authorized by section 307.671 of the Revised Code by all parties to that agreement. The tax shall remain in effect at the rate at which it is imposed for the period of time described in division (C) of section 307.671 of the Revised Code for which the revenue from the tax has been pledged by the county to the corporation pursuant to that section, but, to any extent provided for in the cooperative agreement, for no lesser period than the period of time required for payment of the debt service charges on bonds, or notes in anticipation of bonds, described in division (B)(1)(b) of that section.

(E) For the purpose of paying the costs of acquiring, constructing, equipping, and improving a municipal educational and cultural facility, including debt service charges on bonds provided for in division (B) of section 307.672 of the Revised Code, and for any additional purposes determined by the county in the resolution levying the tax or amendments to the resolution, including subsequent amendments providing for paying costs of acquiring, constructing, renovating, rehabilitating, equipping, and improving a port authority educational and cultural performing arts facility, as defined in section 307.674 of the Revised Code, and including debt service charges on bonds provided for in division (B) of section 307.674 of the Revised Code, the legislative authority of a county, by resolution adopted within ninety days after June 30, 1993, by a majority of the members of the legislative authority, may levy an additional excise tax not to exceed one and one-half per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The excise tax authorized by this division shall be in addition to any tax that is levied pursuant to divisions (A), (B), (C), and (D) of this section, to any excise tax levied pursuant to section 5739.08 of the Revised Code, and to any excise tax levied pursuant to section 351.021 of the Revised Code. The legislative authority of the county shall establish all regulations necessary to provide

for the administration and allocation of the tax. The regulations may prescribe the time for payment of the tax, and may provide for the imposition of a penalty or interest, or both, for late payments, provided that the penalty does not exceed ten per cent of the amount of tax due, and the rate at which interest accrues does not exceed the rate per annum prescribed pursuant to section 5703.47 of the Revised Code. All revenues arising from the tax shall be expended in accordance with section 307.672 of the Revised Code and this division. The levy of a tax imposed under this division shall not commence prior to the first day of the month next following the execution of the cooperative agreement authorized by section 307.672 of the Revised Code by all parties to that agreement. The tax shall remain in effect at the rate at which it is imposed for the period of time determined by the legislative authority of the county, ~~but~~. That period of time shall not exceed fifteen years, except that the legislative authority of a county with a population of less than two hundred fifty thousand according to the most recent federal decennial census, by resolution adopted by a majority of its members before the original tax expires, may extend the duration of the tax for an additional period of time. The additional period of time by which a legislative authority extends a tax levied under this division shall not exceed fifteen years.

(F) The legislative authority of a county that has levied a tax under division (E) of this section may, by resolution adopted within one hundred eighty days after January 4, 2001, by a majority of the members of the legislative authority, amend the resolution levying a tax under that division to provide for the use of the proceeds of that tax, to the extent that it is no longer needed for its original purpose as determined by the parties to a cooperative agreement amendment pursuant to division (D) of section 307.672 of the Revised Code, to pay costs of acquiring, constructing, renovating, rehabilitating, equipping, and improving a port authority educational and cultural performing arts facility, including debt service charges on bonds provided for in division (B) of section 307.674 of the Revised Code, and to pay all obligations under any guaranty agreements, reimbursement agreements, or other credit enhancement agreements described in division (C) of section 307.674 of the Revised Code. The resolution may also provide for the extension of the tax at the same rate for the longer of the period of time determined by the legislative authority of the county, but not to exceed an additional twenty-five years, or the period of time required to pay all debt service charges on bonds provided for in division (B) of section 307.672 of the Revised Code and on port authority revenue bonds provided for in division (B) of section 307.674 of the

Revised Code. All revenues arising from the amendment and extension of the tax shall be expended in accordance with section 307.674 of the Revised Code, this division, and division (E) of this section.

(G) For purposes of a tax levied by a county, township, or municipal corporation under this section or section 5739.08 of the Revised Code, a board of county commissioners, board of township trustees, or the legislative authority of a municipal corporation may adopt a resolution or ordinance at any time specifying that "hotel," as otherwise defined in section 5739.01 of the Revised Code, includes establishments in which fewer than five rooms are used for the accommodation of guests. The resolution or ordinance may apply to a tax imposed pursuant to this section prior to the adoption of the resolution or ordinance if the resolution or ordinance so states, but the tax shall not apply to transactions by which lodging by such an establishment is provided to transient guests prior to the adoption of the resolution or ordinance.

(H)(1) As used in this division:

(a) "Convention facilities authority" has the same meaning as in section 351.01 of the Revised Code.

(b) "Convention center" has the same meaning as in section 307.695 of the Revised Code.

(2) Notwithstanding any contrary provision of division (D) of this section, the legislative authority of a county with a population of one million or more according to the most recent federal decennial census that has levied a tax under division (D) of this section may, by resolution adopted by a majority of the members of the legislative authority, provide for the extension of such levy and may provide that the proceeds of that tax, to the extent that they are no longer needed for their original purpose as defined by a cooperative agreement entered into under section 307.671 of the Revised Code, shall be deposited into the county general revenue fund. The resolution shall provide for the extension of the tax at a rate not to exceed the rate specified in division (D) of this section for a period of time determined by the legislative authority of the county, but not to exceed an additional forty years.

(3) The legislative authority of a county with a population of one million or more that has levied a tax under division (A)(1) of this section may, by resolution adopted by a majority of the members of the legislative authority, increase the rate of the tax levied by such county under division (A)(1) of this section to a rate not to exceed five per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Notwithstanding any contrary provision of division (A)(1) of this section,

the resolution may provide that all collections resulting from the rate levied in excess of three per cent, after deducting the real and actual costs of administering the tax, shall be deposited in the county general fund.

(4) The legislative authority of a county with a population of one million or more that has levied a tax under division (A)(1) of this section may, by resolution adopted on or before August 30, 2004, by a majority of the members of the legislative authority, provide that all or a portion of the proceeds of the tax levied under division (A)(1) of this section, after deducting the real and actual costs of administering the tax and the amounts required to be returned to townships and municipal corporations with respect to the first three per cent levied under division (A)(1) of this section, shall be deposited in the county general fund, provided that such proceeds shall be used to satisfy any pledges made in connection with an agreement entered into under section 307.695 of the Revised Code.

(5) No amount collected from a tax levied, extended, or required to be deposited in the county general fund under division (H) of this section shall be contributed to a convention facilities authority, corporation, or other entity created after July 1, 2003, for the principal purpose of constructing, improving, expanding, equipping, financing, or operating a convention center unless the mayor of the municipal corporation in which the convention center is to be operated by that convention facilities authority, corporation, or other entity has consented to the creation of that convention facilities authority, corporation, or entity. Notwithstanding any contrary provision of section 351.04 of the Revised Code, if a tax is levied by a county under division (H) of this section, the board of county commissioners of that county may determine the manner of selection, the qualifications, the number, and terms of office of the members of the board of directors of any convention facilities authority, corporation, or other entity described in division (H)(5) of this section.

(6)(a) No amount collected from a tax levied, extended, or required to be deposited in the county general fund under division (H) of this section may be used for any purpose other than paying the direct and indirect costs of constructing, improving, expanding, equipping, financing, or operating a convention center and for the real and actual costs of administering the tax, unless, prior to the adoption of the resolution of the legislative authority of the county authorizing the levy, extension, increase, or deposit, the county and the mayor of the most populous municipal corporation in that county have entered into an agreement as to the use of such amounts, provided that such agreement has been approved by a majority of the mayors of the other municipal corporations in that county. The agreement shall provide that the

amounts to be used for purposes other than paying the convention center or administrative costs described in division (H)(6)(a) of this section be used only for the direct and indirect costs of capital improvements, including the financing of capital improvements.

(b) If the county in which the tax is levied has an association of mayors and city managers, the approval of that association of an agreement described in division (H)(6)(a) of this section shall be considered to be the approval of the majority of the mayors of the other municipal corporations for purposes of that division.

(7) Each year, the auditor of state shall conduct an audit of the uses of any amounts collected from taxes levied, extended, or deposited under division (H) of this section and shall prepare a report of the auditor of state's findings. The auditor of state shall submit the report to the legislative authority of the county that has levied, extended, or deposited the tax, the speaker of the house of representatives, the president of the senate, and the leaders of the minority parties of the house of representatives and the senate.

(I)(1) As used in this division:

(a) "Convention facilities authority" has the same meaning as in section 351.01 of the Revised Code.

(b) "Convention center" has the same meaning as in section 307.695 of the Revised Code.

(2) Notwithstanding any contrary provision of division (D) of this section, the legislative authority of a county with a population of one million two hundred thousand or more according to the most recent federal decennial census or the most recent annual population estimate published or released by the United States census bureau at the time the resolution is adopted placing the levy on the ballot, that has levied a tax under division (D) of this section may, by resolution adopted by a majority of the members of the legislative authority, provide for the extension of such levy and may provide that the proceeds of that tax, to the extent that the proceeds are no longer needed for their original purpose as defined by a cooperative agreement entered into under section 307.671 of the Revised Code and after deducting the real and actual costs of administering the tax, shall be used for paying the direct and indirect costs of constructing, improving, expanding, equipping, financing, or operating a convention center. The resolution shall provide for the extension of the tax at a rate not to exceed the rate specified in division (D) of this section for a period of time determined by the legislative authority of the county, but not to exceed an additional forty years.

(3) The legislative authority of a county with a population of one

million two hundred thousand or more that has levied a tax under division (A)(1) of this section may, by resolution adopted by a majority of the members of the legislative authority, increase the rate of the tax levied by such county under division (A)(1) of this section to a rate not to exceed five per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Notwithstanding any contrary provision of division (A)(1) of this section, the resolution shall provide that all collections resulting from the rate levied in excess of three per cent, after deducting the real and actual costs of administering the tax, shall be used for paying the direct and indirect costs of constructing, improving, expanding, equipping, financing, or operating a convention center.

(4) The legislative authority of a county with a population of one million two hundred thousand or more that has levied a tax under division (A)(1) of this section may, by resolution adopted on or before July 1, 2008, by a majority of the members of the legislative authority, provide that all or a portion of the proceeds of the tax levied under division (A)(1) of this section, after deducting the real and actual costs of administering the tax and the amounts required to be returned to townships and municipal corporations with respect to the first three per cent levied under division (A)(1) of this section, shall be used to satisfy any pledges made in connection with an agreement entered into under section 307.695 of the Revised Code or shall otherwise be used for paying the direct and indirect costs of constructing, improving, expanding, equipping, financing, or operating a convention center.

(5) Any amount collected from a tax levied or extended under division (I) of this section may be contributed to a convention facilities authority created before July 1, 2005, but no amount collected from a tax levied or extended under division (I) of this section may be contributed to a convention facilities authority, corporation, or other entity created after July 1, 2005, unless the mayor of the municipal corporation in which the convention center is to be operated by that convention facilities authority, corporation, or other entity has consented to the creation of that convention facilities authority, corporation, or entity.

Sec. 5739.12. (A) Each person who has or is required to have a vendor's license, on or before the twenty-third day of each month, shall make and file a return for the preceding month, on forms prescribed by the tax commissioner, and shall pay the tax shown on the return to be due. The commissioner may require a vendor that operates from multiple locations or has multiple vendor's licenses to report all tax liabilities on one consolidated return. The return shall show the amount of tax due from the vendor to the

state for the period covered by the return and such other information as the commissioner deems necessary for the proper administration of this chapter. The commissioner may extend the time for making and filing returns and paying the tax, and may require that the return for the last month of any annual or semiannual period, as determined by the commissioner, be a reconciliation return detailing the vendor's sales activity for the preceding annual or semiannual period. The reconciliation return shall be filed by the last day of the month following the last month of the annual or semiannual period. The commissioner may remit all or any part of amounts or penalties that may become due under this chapter and may adopt rules relating thereto. Such return shall be filed by mailing it to the tax commissioner, together with payment of the amount of tax shown to be due thereon after deduction of any discount provided for under this section. Remittance shall be made payable to the treasurer of state. The return shall be considered filed when received by the tax commissioner, and the payment shall be considered made when received by the tax commissioner or when credited to an account designated by the treasurer of state or the tax commissioner.

(B)(1) If the return is filed and the amount of tax shown thereon to be due is paid on or before the date such return is required to be filed, the vendor shall be entitled to ~~the following~~ a discount of:

~~(1)(a)~~ On and after July 1, 2005, and on and before June 30, 2007, nine-tenths of one per cent of the amount shown to be due on the return;

~~(2)(b)~~ On and after July 1, 2007, three-fourths of one per cent of the amount shown to be due on the return.

(2) A vendor that has selected a certified service provider as its agent shall not be entitled to the discount if the certified service provider receives a monetary allowance pursuant to section 5739.06 of the Revised Code for performing the vendor's sales and use tax functions in this state. Amounts paid to the clerk of courts pursuant to section 4505.06 of the Revised Code shall be subject to the applicable discount. The discount shall be in consideration for prompt payment to the clerk of courts and for other services performed by the vendor in the collection of the tax.

(C)(1) Upon application to the commissioner, a vendor who is required to file monthly returns may be relieved of the requirement to report and pay the actual tax due, provided that the vendor agrees to remit to the tax commissioner payment of not less than an amount determined by the commissioner to be the average monthly tax liability of the vendor, based upon a review of the returns or other information pertaining to such vendor for a period of not less than six months nor more than two years immediately preceding the filing of the application. Vendors who agree to

the above conditions shall make and file an annual or semiannual reconciliation return, as prescribed by the commissioner. The reconciliation return shall be filed by mailing or delivering it to the tax commissioner, together with payment of the amount of tax shown to be due thereon after deduction of any discount provided in this section. Remittance shall be made payable to the treasurer of state. Failure of a vendor to comply with any of the above conditions may result in immediate reinstatement of the requirement of reporting and paying the actual tax liability on each monthly return, and the commissioner may at the commissioner's discretion deny the vendor the right to report and pay based upon the average monthly liability for a period not to exceed two years. The amount ascertained by the commissioner to be the average monthly tax liability of a vendor may be adjusted, based upon a review of the returns or other information pertaining to the vendor for a period of not less than six months nor more than two years preceding such adjustment.

(2) The commissioner may authorize vendors whose tax liability is not such as to merit monthly returns, as ascertained by the commissioner upon the basis of administrative costs to the state, to make and file returns at less frequent intervals. When returns are filed at less frequent intervals in accordance with such authorization, the vendor shall be allowed the discount provided in this section in consideration for prompt payment with the return, provided the return is filed together with payment of the amount of tax shown to be due thereon, at the time specified by the commissioner, but a vendor that has selected a certified service provider as its agent shall not be entitled to the discount.

(D) Any vendor who fails to file a return or pay the full amount of the tax shown on the return to be due under this section and the rules of the commissioner may, for each such return the vendor fails to file or each such tax the vendor fails to pay in full as shown on the return within the period prescribed by this section and the rules of the commissioner, be required to forfeit and pay into the state treasury an additional charge not exceeding fifty dollars or ten per cent of the tax required to be paid for the reporting period, whichever is greater, as revenue arising from the tax imposed by this chapter, and such sum may be collected by assessment in the manner provided in section 5739.13 of the Revised Code. The commissioner may remit all or a portion of the additional charge and may adopt rules relating to the imposition and remission of the additional charge.

(E) If the amount required to be collected by a vendor from consumers is in excess of the applicable percentage of the vendor's receipts from sales that are taxable under section 5739.02 of the Revised Code, or in the case of

sales subject to a tax levied pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, in excess of the percentage equal to the aggregate rate of such taxes and the tax levied by section 5739.02 of the Revised Code, such excess shall be remitted along with the remittance of the amount of tax due under section 5739.10 of the Revised Code.

(F) The commissioner, if the commissioner deems it necessary in order to insure the payment of the tax imposed by this chapter, may require returns and payments to be made for other than monthly periods. The returns shall be signed by the vendor or the vendor's authorized agent.

(G) Any vendor required to file a return and pay the tax under this section, whose total payment equals or exceeds the amount shown in division (A) of section 5739.122 of the Revised Code, shall make each payment required by this section in the second ensuing and each succeeding year by electronic funds transfer as prescribed by, and on or before the dates specified in, section 5739.122 of the Revised Code, except as otherwise prescribed by that section. For a vendor that operates from multiple locations or has multiple vendor's licenses, in determining whether the vendor's total payment equals or exceeds the amount shown in division (A) of that section, the vendor's total payment amount shall be the amount of the vendor's total tax liability for the previous calendar year for all of the vendor's locations or licenses.

Sec. 5739.122. (A) If the total amount of tax required to be paid by a vendor under section 5739.12 of the Revised Code for any calendar year equals or exceeds seventy-five thousand dollars, the vendor shall remit each monthly tax payment in the second ensuing and each succeeding tax year by electronic funds transfer as prescribed by divisions (B) and (C) of this section.

If a vendor's tax payment for each of two consecutive years is less than seventy-five thousand dollars, the vendor is relieved of the requirement to remit taxes by electronic funds transfer for the year that next follows the second of the consecutive years in which the tax payment is less than that amount, and is relieved of that requirement for each succeeding year, unless the tax payment in a subsequent year equals or exceeds seventy-five thousand dollars.

The tax commissioner shall notify each vendor required to remit taxes by electronic funds transfer of the vendor's obligation to do so, shall maintain an updated list of those vendors, and shall timely certify the list and any additions thereto or deletions therefrom to the treasurer of state. Failure by the tax commissioner to notify a vendor subject to this section to remit taxes by electronic funds transfer does not relieve the vendor of its

obligation to remit taxes by electronic funds transfer.

(B) Vendors required by division (A) of this section to remit payments by electronic funds transfer shall remit such payments to the treasurer of state in the manner prescribed by this section and rules adopted by the treasurer of state under section 113.061 of the Revised Code, and ~~on or before the following dates as follows:~~

~~(1) On or before the fifteenth day of each month, a vendor shall remit an amount equal to the taxes collected during the first eleven days of the month. On or before the twenty-fifth day of each month, a vendor shall remit an amount equal to the taxes collected on the twelfth through the twenty-first day of the month.~~

~~(2) In lieu of remitting the actual amounts collected for the periods specified in division (B)(1) of this section, a vendor may, on or before each of the fifteenth and twenty-fifth days of each month, remit an amount equal to thirty-seven and one-half per cent of the vendor's total tax liability for the same month in the preceding calendar year.~~

~~(3) On or before the twenty-third day of each month, a vendor shall remit an amount equal to seventy-five per cent of the anticipated tax liability for that month.~~

(2) On or before the twenty-third day of each month, a vendor shall report the taxes collected for the previous month and shall remit that amount, less any amounts paid for that month as required by division (B)(1) ~~or (2)~~ of this section.

The payment of taxes by electronic funds transfer does not affect a vendor's obligation to file the monthly return as required under section 5739.12 of the Revised Code.

(C) A vendor required by this section to remit taxes by electronic funds transfer may apply to the treasurer of state in the manner prescribed by the treasurer of state to be excused from that requirement. The treasurer of state may excuse the vendor from remittance by electronic funds transfer for good cause shown for the period of time requested by the vendor or for a portion of that period. The treasurer of state shall notify the tax commissioner and the vendor of the treasurer of state's decision as soon as is practicable.

(D)(1)(a) If a vendor that is required to remit payments under division (B) of this section fails to make a payment, or makes a payment under division (B)(1) of this section that is less than seventy-five per cent of the actual liability for that month, the commissioner may impose an additional charge not to exceed five per cent of that unpaid amount.

(b) Division (D)(1)(a) of this section does not apply if the vendor's payment under division (B)(1) of this section is equal to or greater than

seventy-five per cent of the vendor's reported liability for the same month in the immediately preceding calendar year.

(2) If a vendor required by this section to remit taxes by electronic funds transfer remits those taxes by some means other than by electronic funds transfer as prescribed by this section and the rules adopted by the treasurer of state, and the treasurer of state determines that such failure was not due to reasonable cause or was due to willful neglect, the treasurer of state shall notify the tax commissioner of the failure to remit by electronic funds transfer and shall provide the commissioner with any information used in making that determination. The tax commissioner may impose an additional charge not to exceed the lesser of five per cent of the amount of the taxes required to be paid by electronic funds transfer or five thousand dollars.

(3) Any additional charge imposed under division (D)(1) or (2) of this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The tax commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

No additional charge shall be imposed under division (D)(2) of this section against a vendor that has been notified of its obligation to remit taxes under this section and that remits its first two tax payments after such notification by some means other than electronic funds transfer. The additional charge may be imposed upon the remittance of any subsequent tax payment that the vendor remits by some means other than electronic funds transfer.

Sec. 5739.123. (A) As used in this section, "destination-based sourcing requirements" means the manner in which sales are required to be sourced under divisions (C) to (I) of section 5739.033 of the Revised Code.

(B) A vendor who holds a license issued ~~prior to May 1, 2006~~, under division (A) of section 5739.17 of the Revised Code may apply for temporary compensation to assist the vendor in complying with the destination-based sourcing requirements for the first six months those sourcing requirements become applicable to the vendor under section 5739.033 of the Revised Code. The vendor shall file the application in accordance with division (C) of this section. The compensation shall be the actual amount of tax collected per county for each month of the six-month period, not to exceed twenty-five dollars per county per month, for sales of tangible personal property delivered to each county in which the vendor does not have a fixed place of business and does not, or is not required to,

hold a license issued under division (A) of section 5739.17 of the Revised Code for that business. Only amounts paid by the vendor for which the vendor is eligible for a discount under division (B) of section 5739.12 of the Revised Code and that are shown on returns filed during that six-month period shall be considered in calculating the compensation. In no event shall a vendor receive compensation that exceeds its total cost of complying with the destination-based sourcing requirements. For purposes of the six-month compensation period, a partial month shall be considered a month.

(C) A vendor that applies for compensation under this section shall file an application with the tax commissioner on a form prescribed by the commissioner. The application shall be filed within sixty days after the end of the reporting period that includes the last day of the last month of the six-month period for which the vendor is requesting compensation. The commissioner shall determine the amount of compensation to which the vendor is entitled, and if that amount is equal to or greater than the amount claimed on the application, the commissioner shall certify that amount to the director of budget and management and the treasurer of state for payment from the general revenue fund. If the commissioner determines that the amount of compensation to which the vendor is entitled is less than the amount claimed on the vendor's application, the commissioner shall proceed in accordance with section 5703.70 of the Revised Code.

(D) The compensation provided under this section shall not reduce the amount required to be returned to counties and transit authorities under section 5739.21 of the Revised Code.

Sec. 5739.124. (A) If required by the tax commissioner, a person required to make payments by electronic funds transfer under section 5739.032 or 5739.122 of the Revised Code shall file all returns and reports electronically. The commissioner may require the person to use the Ohio business gateway, as defined in section 718.051 of the Revised Code, or any other electronic means, to file the returns and reports, or to remit the tax, in lieu of the manner prescribed by the treasurer of state under sections 5739.032 and 5739.122 of the Revised Code.

(B) A person required under this section to file reports and returns electronically may apply to the commissioner to be excused from that requirement. Applications shall be made on a form prescribed by the commissioner. The commissioner may approve the application for good cause.

(C)(1) If a person required to file a report or return electronically under this section fails to do so, the commissioner may impose an additional charge not to exceed the following:

(a) For each of the first two failures, five per cent of the amount required to be reported on the report or return;

(b) For the third and any subsequent failure, ten per cent of the amount required to be reported on the report or return.

(2) The charges authorized under division (C)(1) of this section are in addition to any other charge or penalty authorized under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5739.21. (A) ~~Four and two tenths~~ One hundred per cent of all money deposited into the state treasury under sections 5739.01 to 5739.31 of the Revised Code and not required to be distributed as provided in section 5739.102 of the Revised Code or division (B) of this section shall be credited to the local government fund for distribution in accordance with ~~section 5747.50 of the Revised Code, six tenths of one per cent shall be credited to the local government revenue assistance fund for distribution in accordance with section 5747.61 of the Revised Code, and ninety five and two tenths per cent shall be credited to the general revenue fund.~~

(B)(1) In any case where any county or transit authority has levied a tax or taxes pursuant to section 5739.021, 5739.023, or 5739.026 of the Revised Code, the tax commissioner shall, within forty-five days after the end of each month, determine and certify to the director of budget and management the amount of the proceeds of such tax or taxes received during that month from billings and assessments, or associated with tax returns or reports filed during that month, to be returned to the county or transit authority levying the tax or taxes. The amount to be returned to each county and transit authority shall be a fraction of the aggregate amount of money collected with respect to each area in which one or more of such taxes are concurrently in effect with the tax levied by section 5739.02 of the Revised Code. The numerator of the fraction is the rate of the tax levied by the county or transit authority and the denominator of the fraction is the aggregate rate of such taxes applicable to such area. The amount to be returned to each county or transit authority shall be reduced by the amount of any refunds of county or transit authority tax paid pursuant to section 5739.07 of the Revised Code during the same month, or transfers made pursuant to division (B)(2) of section 5703.052 of the Revised Code.

(2) On a periodic basis, using the best information available, the tax commissioner shall distribute any amount of a county or transit authority tax

that cannot be distributed under division (B)(1) of this section. Through audit or other means, the commissioner shall attempt to obtain the information necessary to make the distribution as provided under that division and, on receipt of that information, shall make adjustments to distributions previously made under this division.

(C) The aggregate amount to be returned to any county or transit authority shall be reduced by one per cent, which shall be certified directly to the credit of the local sales tax administrative fund, which is hereby created in the state treasury. For the purpose of determining the amount to be returned to a county and transit authority in which the rate of tax imposed by the transit authority has been reduced under section 5739.028 of the Revised Code, the tax commissioner shall use the respective rates of tax imposed by the county or transit authority that results from the change in the rates authorized under that section.

(D) The director of budget and management shall transfer, from the same funds and in the same proportions specified in division (A) of this section, to the permissive tax distribution fund created by division (B)(1) of section 4301.423 of the Revised Code and to the local sales tax administrative fund, the amounts certified by the tax commissioner. The tax commissioner shall then, on or before the twentieth day of the month in which such certification is made, provide for payment of such respective amounts to the county treasurer and to the fiscal officer of the transit authority levying the tax or taxes. The amount transferred to the local sales tax administrative fund is for use by the tax commissioner in defraying costs incurred in administering such taxes levied by a county or transit authority.

Sec. 5739.213. Notwithstanding section 5739.21 or 5741.03 of the Revised Code, of the revenue collected from the tax due under division (A) of section 5739.029 of the Revised Code, an amount equal to one-half per cent of the price of each transaction subject to taxation under that division shall be distributed to the county where the sale is situated as provided in section 5739.035 of the Revised Code. The amount to be so distributed to each county shall be credited to the funds of the county as provided by divisions (A) and (B) of section 5739.211 of the Revised Code.

Sec. 5740.10. (A) As used in this section, "delivery sale" has the same meaning as in section 5739.033 of the Revised Code.

(B) It is the intent of the General Assembly for this state to become a full member in the streamlined sales and use tax agreement to enhance collection of the taxes imposed under Chapters 5739. and 5741. of the Revised Code by remote multi-state sellers. This state's participation has been jeopardized, however, because the agreement does not resolve issues

relating to the situsing of certain sales and because of the impact the agreement has on businesses located within and outside this state that have annual delivery sales in this state of less than five hundred thousand dollars.

If the tax commissioner determines, on or before October 1, 2007, that the agreement has been amended or interpreted by the streamlined sales tax governing board to allow, beginning January 1, 2008, a vendor with total annual delivery sales within this state of less than five hundred thousand dollars in a prior calendar year, beginning with calendar year 2007, to situs its sales under section 5739.035 of the Revised Code, the commissioner shall certify that determination by journal entry on or before that date, shall provide notice of the determination on the department of taxation's web site, and shall notify vendors and sellers the commissioner reasonably believes to be affected by the certification.

Sec. 5741.02. (A)(1) For the use of the general revenue fund of the state, an excise tax is hereby levied on the storage, use, or other consumption in this state of tangible personal property or the benefit realized in this state of any service provided. The tax shall be collected as provided in section 5739.025 of the Revised Code, provided that on and after July 1, 2003, and on or before June 30, 2005, the rate of the tax shall be six per cent. On and after July 1, 2005, the rate of the tax shall be five and one-half per cent.

(2) In the case of the lease or rental, with a fixed term of more than thirty days or an indefinite term with a minimum period of more than thirty days, of any motor vehicles designed by the manufacturer to carry a load of not more than one ton, watercraft, outboard motor, or aircraft, or of any tangible personal property, other than motor vehicles designed by the manufacturer to carry a load of more than one ton, to be used by the lessee or renter primarily for business purposes, the tax shall be collected by the seller at the time the lease or rental is consummated and shall be calculated by the seller on the basis of the total amount to be paid by the lessee or renter under the lease or rental agreement. If the total amount of the consideration for the lease or rental includes amounts that are not calculated at the time the lease or rental is executed, the tax shall be calculated and collected by the seller at the time such amounts are billed to the lessee or renter. In the case of an open-end lease or rental, the tax shall be calculated by the seller on the basis of the total amount to be paid during the initial fixed term of the lease or rental, and for each subsequent renewal period as it comes due. As used in this division, "motor vehicle" has the same meaning as in section 4501.01 of the Revised Code, and "watercraft" includes an outdrive unit attached to the watercraft.

(3) Except as provided in division (A)(2) of this section, in the case of a

transaction, the price of which consists in whole or part of the lease or rental of tangible personal property, the tax shall be measured by the installments of those leases or rentals.

(B) Each consumer, storing, using, or otherwise consuming in this state tangible personal property or realizing in this state the benefit of any service provided, shall be liable for the tax, and such liability shall not be extinguished until the tax has been paid to this state; provided, that the consumer shall be relieved from further liability for the tax if the tax has been paid to a seller in accordance with section 5741.04 of the Revised Code or prepaid by the seller in accordance with section 5741.06 of the Revised Code.

(C) The tax does not apply to the storage, use, or consumption in this state of the following described tangible personal property or services, nor to the storage, use, or consumption or benefit in this state of tangible personal property or services purchased under the following described circumstances:

(1) When the sale of property or service in this state is subject to the excise tax imposed by sections 5739.01 to 5739.31 of the Revised Code, provided said tax has been paid;

(2) Except as provided in division (D) of this section, tangible personal property or services, the acquisition of which, if made in Ohio, would be a sale not subject to the tax imposed by sections 5739.01 to 5739.31 of the Revised Code;

(3) Property or services, the storage, use, or other consumption of or benefit from which this state is prohibited from taxing by the Constitution of the United States, laws of the United States, or the Constitution of this state. This exemption shall not exempt from the application of the tax imposed by this section the storage, use, or consumption of tangible personal property that was purchased in interstate commerce, but that has come to rest in this state, provided that fuel to be used or transported in carrying on interstate commerce that is stopped within this state pending transfer from one conveyance to another is exempt from the excise tax imposed by this section and section 5739.02 of the Revised Code;

(4) Transient use of tangible personal property in this state by a nonresident tourist or vacationer, or a nonbusiness use within this state by a nonresident of this state, if the property so used was purchased outside this state for use outside this state and is not required to be registered or licensed under the laws of this state;

(5) Tangible personal property or services rendered, upon which taxes have been paid to another jurisdiction to the extent of the amount of the tax

paid to such other jurisdiction. Where the amount of the tax imposed by this section and imposed pursuant to section 5741.021, 5741.022, or 5741.023 of the Revised Code exceeds the amount paid to another jurisdiction, the difference shall be allocated between the tax imposed by this section and any tax imposed by a county or a transit authority pursuant to section 5741.021, 5741.022, or 5741.023 of the Revised Code, in proportion to the respective rates of such taxes.

As used in this subdivision, "taxes paid to another jurisdiction" means the total amount of retail sales or use tax or similar tax based upon the sale, purchase, or use of tangible personal property or services rendered legally, levied by and paid to another state or political subdivision thereof, or to the District of Columbia, where the payment of such tax does not entitle the taxpayer to any refund or credit for such payment.

(6) The transfer of a used manufactured home or used mobile home, as defined by section 5739.0210 of the Revised Code, made on or after January 1, 2000;

(7) Drugs that are or are intended to be distributed free of charge to a practitioner licensed to prescribe, dispense, and administer drugs to a human being in the course of a professional practice and that by law may be dispensed only by or upon the order of such a practitioner.

(8) Computer equipment and related software leased from a lessor located outside this state and initially received in this state on behalf of the consumer by a third party that will retain possession of such property for not more than ninety days and that will, within that ninety-day period, deliver such property to the consumer at a location outside this state. Division (C)(8) of this section does not provide exemption from taxation for any otherwise taxable charges associated with such property while it is in this state or for any subsequent storage, use, or consumption of such property in this state by or on behalf of the consumer.

~~(9) Cigarettes that have a wholesale value of three hundred dollars or less used, stored, or consumed, but not for resale, in any month.~~

~~(10) Tangible personal property held for sale by a person but not for that person's own use and donated by that person, without charge or other compensation, to either of the following:~~

~~(a) A nonprofit organization operated exclusively for charitable purposes in this state, no part of the net income of which inures to the benefit of any private shareholder or individual and no substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation; or~~

~~(b) This state or any political subdivision of this state, but only if~~

donated for exclusively public purposes.

For the purposes of division (C)(10) of this section, "charitable purposes" has the same meaning as in division (B)(12) of section 5739.02 of the Revised Code.

(D) The tax applies to the storage, use, or other consumption in this state of tangible personal property or services, the acquisition of which at the time of sale was excepted under division (E) of section 5739.01 of the Revised Code from the tax imposed by section 5739.02 of the Revised Code, but which has subsequently been temporarily or permanently stored, used, or otherwise consumed in a taxable manner.

(E)(1)(a) If any transaction is claimed to be exempt under division (E) of section 5739.01 of the Revised Code or under section 5739.02 of the Revised Code, with the exception of divisions (B)(1) to (11) or (28) of section 5739.02 of the Revised Code, the consumer shall provide to the seller, and the seller shall obtain from the consumer, a certificate specifying the reason that the transaction is not subject to the tax. The certificate shall be in such form, and shall be provided either in a hard copy form or electronic form, as the tax commissioner prescribes.

(b) A seller that obtains a fully completed exemption certificate from a consumer is relieved of liability for collecting and remitting tax on any sale covered by that certificate. If it is determined the exemption was improperly claimed, the consumer shall be liable for any tax due on that sale under this chapter. Relief under this division from liability does not apply to any of the following:

(i) A seller that fraudulently fails to collect tax;

(ii) A seller that solicits consumers to participate in the unlawful claim of an exemption;

(iii) A seller that accepts an exemption certificate from a consumer that claims an exemption based on who purchases or who sells property or a service, when the subject of the transaction sought to be covered by the exemption certificate is actually received by the consumer at a location operated by the seller in this state, and this state has posted to its web site an exemption certificate form that clearly and affirmatively indicates that the claimed exemption is not available in this state;

(iv) A seller that accepts an exemption certificate from a consumer who claims a multiple points of use exemption under division (D) of section 5739.033 of the Revised Code, if the item purchased is tangible personal property, other than prewritten computer software.

(2) The seller shall maintain records, including exemption certificates, of all sales on which a consumer has claimed an exemption, and provide

them to the tax commissioner on request.

(3) If no certificate is provided or obtained within ninety days after the date on which the transaction is consummated, it shall be presumed that the tax applies. Failure to have so provided or obtained a certificate shall not preclude a seller, within one hundred twenty days after the tax commissioner gives written notice of intent to levy an assessment, from either establishing that the transaction is not subject to the tax, or obtaining, in good faith, a fully completed exemption certificate.

(4) If a transaction is claimed to be exempt under division (B)(13) of section 5739.02 of the Revised Code, the contractor shall obtain certification of the claimed exemption from the contractee. This certification shall be in addition to an exemption certificate provided by the contractor to the seller. A contractee that provides a certification under this division shall be deemed to be the consumer of all items purchased by the contractor under the claim of exemption, if it is subsequently determined that the exemption is not properly claimed. The certification shall be in such form as the tax commissioner prescribes.

(F) A seller who files a petition for reassessment contesting the assessment of tax on transactions for which the seller obtained no valid exemption certificates, and for which the seller failed to establish that the transactions were not subject to the tax during the one-hundred-twenty-day period allowed under division (E) of this section, may present to the tax commissioner additional evidence to prove that the transactions were exempt. The seller shall file such evidence within ninety days of the receipt by the seller of the notice of assessment, except that, upon application and for reasonable cause, the tax commissioner may extend the period for submitting such evidence thirty days.

(G) For the purpose of the proper administration of sections 5741.01 to 5741.22 of the Revised Code, and to prevent the evasion of the tax hereby levied, it shall be presumed that any use, storage, or other consumption of tangible personal property in this state is subject to the tax until the contrary is established.

(H) The tax collected by the seller from the consumer under this chapter is not part of the price, but is a tax collection for the benefit of the state, and of counties levying an additional use tax pursuant to section 5741.021 or 5741.023 of the Revised Code and of transit authorities levying an additional use tax pursuant to section 5741.022 of the Revised Code. Except for the discount authorized under section 5741.12 of the Revised Code and the effects of any rounding pursuant to section 5703.055 of the Revised Code, no person other than the state or such a county or transit authority

shall derive any benefit from the collection of such tax.

Sec. 5741.03. (A) ~~Four and two-tenths~~ One hundred per cent of all money deposited into the state treasury under sections 5741.01 to 5741.22 of the Revised Code that is not required to be distributed as provided in division (B) ~~or (C)~~ of this section shall be credited to ~~the local government fund for distribution in accordance with section 5747.50 of the Revised Code, six tenths of one per cent shall be credited to the local government revenue assistance fund for distribution in accordance with section 5747.61 of the Revised Code, and ninety-five and two-tenths per cent shall be credited to the general revenue fund.~~

(B) In any case where any county or transit authority has levied a tax or taxes pursuant to section 5741.021, 5741.022, or 5741.023 of the Revised Code, the tax commissioner shall, within forty-five days after the end of each month, determine and certify to the director of budget and management the amount of the proceeds of such tax or taxes from billings and assessments received during that month, or shown on tax returns or reports filed during that month, to be returned to the county or transit authority levying the tax or taxes, which amounts shall be determined in the manner provided in section 5739.21 of the Revised Code. The director of budget and management shall transfer, from the ~~same funds and in the same proportions specified in division (A) of this section~~ general revenue fund, to the permissive tax distribution fund created by division (B)(1) of section 4301.423 of the Revised Code and to the local sales tax administrative fund created by division ~~(B)(C)~~ of section 5739.21 of the Revised Code, the amounts certified by the tax commissioner. The tax commissioner shall then, on or before the twentieth day of the month in which such certification is made, provide for payment of such respective amounts to the county treasurer or to the fiscal officer of the transit authority levying the tax or taxes. The amount transferred to the local sales tax administrative fund is for use by the tax commissioner in defraying costs the commissioner incurs in administering such taxes levied by a county or transit authority.

(C) Of the revenue deposited into the state treasury from taxes paid under division (B) of section 5741.05 of the Revised Code, a percentage shall be distributed each fiscal year to all counties and transit authorities that levy a tax under section 5739.021, 5739.023, or 5739.026 of the Revised Code. The percentage to be distributed each fiscal year shall be computed by dividing the amount described in division (C)(1) by the amount described in division (C)(2) of this section:

(1) The total sales and use tax revenue distributed to counties and transit authorities in the calendar year that ended in the preceding fiscal year;

(2) The sum of the total sales and use tax revenue distributed to such counties and transit authorities in that calendar year plus the total revenue collected in that calendar year from the taxes levied under sections 5739.02 and 5741.02 of the Revised Code.

(D) Each county and transit authority shall receive a quarterly distribution each fiscal year from the revenue to be distributed as provided in division (C) of this section. The amount of the distribution for each such county and transit authority shall equal one-fourth of a percentage of the revenue to be distributed in the fiscal year under that division. The percentage shall be computed by dividing the amount described in division (D)(1) by the amount described in division (D)(2) of this section:

(1) The total sales and use tax revenue distributed to the county or transit authority under division (B) of section 5739.21 of the Revised Code in the calendar year that ended in the preceding fiscal year;

(2) The total sales and use tax revenue distributed to all counties and transit authorities under division (B) of section 5739.21 of the Revised Code in that calendar year.

Sec. 5741.05. (A) ~~Beginning January 1, 2005~~ Except as provided in division (B) of this section, a seller that collects the tax levied by sections 5741.02, 5741.021, 5741.022, or 5741.023 of the Revised Code on transactions, other than sales of titled motor vehicles, titled watercraft, or titled outboard motors, shall determine under section 5739.033 or 5739.034 of the Revised Code the jurisdiction for which to collect the tax. A vendor or seller of motor vehicles, watercraft, or outboard motors required to be titled in this state shall collect the tax levied by section 5739.02 or 5741.02 of the Revised Code and the additional taxes levied by division (A)(1) of section 5741.021, division (A)(1) of section 5741.022, and division (A)(1) of section 5741.023 of the Revised Code for the consumer's county of residence as provided in section 1548.06 and division (B) of section 4505.06 of the Revised Code.

(B)(1) Divisions (B) and (C) of this section apply only if the tax commissioner makes the certification under section 5740.10 of the Revised Code.

(2) For the purposes of this division and division (C) of this section, "delivery sale" has the same meaning as in section 5739.033 of the Revised Code, and "tax jurisdiction" has the same meaning as in section 5739.24 of the Revised Code.

(3) Except as otherwise provided in division (B)(4) of this section, and notwithstanding sections 5741.02, 5741.021, 5741.022, and 5741.023 of the Revised Code, beginning January 1, 2008, a seller with total delivery sales

in this state in calendar year 2007 and each calendar year thereafter of less than five hundred thousand dollars may elect to collect the tax due under this chapter at a rate equal to the sum of the tax levied under section 5741.02 of the Revised Code and the lowest combined rate of tax levied in any tax jurisdiction in this state under sections 5741.021, 5741.022, and 5741.023 of the Revised Code.

(4) Once a seller has total delivery sales in this state of five hundred thousand dollars or more for a prior calendar year, the seller shall source its sales pursuant to division (A) of this section regardless of the amount of the seller's total delivery sales in future years.

(C)(1) In each sale by a seller permitted to collect use tax under division (B) of this section, the seller shall clearly indicate on each invoice or other similar document provided to the purchaser at the time of the sale that the seller is authorized to collect use tax at the rate prescribed in division (B)(3) of this section.

(2) If a purchaser purchases tangible personal property from a seller permitted to collect use tax pursuant to division (B) of this section and pays the tax due under that division to the seller, no assessment may be made against the purchaser for additional tax due under section 5741.021, 5741.022, or 5741.023 of the Revised Code unless the purchaser subsequently removes the property from the tax jurisdiction in which the resident received the property to another tax jurisdiction with a higher tax rate.

(3) Nothing in this section relieves a person that claims to be authorized to collect the tax as provided in division (B) of this section, but that is not so authorized, from liability for tax, penalties, interest, or additional charges imposed under this chapter for failure to collect the amount of tax lawfully due applying the situsing provisions of division (A) of this section.

(D) A vendor or seller is not responsible for collecting or remitting additional tax if a consumer subsequently stores, uses, or consumes the tangible personal property or service in another jurisdiction with a rate of tax imposed by sections 5741.02, 5741.021, 5741.022, or 5741.023 of the Revised Code that is higher than the amount collected by the vendor or seller pursuant to Chapter 5739. or 5741. of the Revised Code.

Sec. 5741.121. (A) If the total amount of tax required to be paid by a seller or consumer under section 5741.12 of the Revised Code for any year equals or exceeds seventy-five thousand dollars, the seller or consumer shall remit each monthly tax payment in the second ensuing and each succeeding year by electronic funds transfer as prescribed by division (B) of this section.

If a seller's or consumer's tax payment for each of two consecutive years is less than seventy-five thousand dollars, the seller or consumer is relieved of the requirement to remit taxes by electronic funds transfer for the year that next follows the second of the consecutive years in which the tax payment is less than that amount, and is relieved of that requirement for each succeeding year, unless the tax payment in a subsequent year equals or exceeds seventy-five thousand dollars.

The tax commissioner shall notify each seller or consumer required to remit taxes by electronic funds transfer of the seller's or consumer's obligation to do so, shall maintain an updated list of those sellers and consumers, and shall timely certify the list and any additions thereto or deletions therefrom to the treasurer of state. Failure by the tax commissioner to notify a seller or consumer subject to this section to remit taxes by electronic funds transfer does not relieve the seller or consumer of the obligation to remit taxes by electronic funds transfer.

(B) Sellers and consumers required by division (A) of this section to remit payments by electronic funds transfer shall remit such payments to the treasurer of state in the manner prescribed by this section and rules adopted by the treasurer of state under section 113.061 of the Revised Code, and ~~on or before the following dates as follows:~~

~~(1)(a) On or before the fifteenth day of each month, a seller shall remit an amount equal to the taxes collected during the first eleven days of the month. On or before the twenty-fifth day of each month, a seller shall remit an amount equal to the taxes collected on the twelfth through the twenty-first day of the month.~~

~~(b) In lieu of remitting the actual amounts collected for the periods specified in division (B)(1)(a) of this section, a seller may, on or before each of the fifteenth and twenty-fifth days of each month, remit an amount equal to thirty-seven and one-half per cent of the seller's total tax liability for the same month in the preceding calendar year.~~

~~(2) On or before each of the fifteenth and twenty-fifth days of each month, a consumer shall remit an amount equal to thirty-seven and one-half per cent of the consumer's total tax liability for the same month in the preceding calendar year.~~

~~(3) On or before the twenty-third day of each month, a seller or consumer shall remit an amount equal to seventy-five per cent of the anticipated tax liability for that month.~~

(2) On or before the twenty-third day of each month, a seller shall report the taxes collected and a consumer shall report the taxes due for the previous month and shall remit that amount, less any amounts paid for that month as

required by division (B)(1)~~(a) or (b) or (B)(2)~~ of this section.

The payment of taxes by electronic funds transfer does not affect a seller's or consumer's obligation to file the monthly return as required under section 5741.12 of the Revised Code.

(C) A seller or consumer required by this section to remit taxes by electronic funds transfer may apply to the treasurer of state in the manner prescribed by the treasurer of state to be excused from that requirement. The treasurer of state may excuse the seller or consumer from remittance by electronic funds transfer for good cause shown for the period of time requested by the seller or consumer or for a portion of that period. The treasurer of state shall notify the tax commissioner and the seller or consumer of the treasurer of state's decision as soon as is practicable.

(D)(1)(a) If a seller or consumer that is required to remit payments under division (B) of this section fails to make a payment, or makes a payment under division (B)(1) of this section that is less than seventy-five per cent of the actual liability for that month, the commissioner may impose an additional charge not to exceed five per cent of that unpaid amount.

(b) Division (D)(1)(a) of this section does not apply if the seller's or consumer's payment under division (B)(1) of this section is equal to or greater than seventy-five per cent of the seller's or consumer's reported liability for the same month in the immediately preceding calendar year.

(2) If a seller or consumer required by this section to remit taxes by electronic funds transfer remits those taxes by some means other than by electronic funds transfer as prescribed by the rules adopted by the treasurer of state, and the treasurer of state determines that such failure was not due to reasonable cause or was due to willful neglect, the treasurer of state shall notify the tax commissioner of the failure to remit by electronic funds transfer and shall provide the commissioner with any information used in making that determination. The tax commissioner may impose an additional charge not to exceed the lesser of five per cent of the amount of the taxes required to be paid by electronic funds transfer or five thousand dollars.

(3) Any additional charge imposed under this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5741.13 of the Revised Code. The tax commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

No additional charge shall be imposed under division (D)(2) of this section against a seller or consumer that has been notified of the obligation to remit taxes under this section and that remits its first two tax payments

after such notification by some means other than electronic funds transfer. The additional charge may be imposed upon the remittance of any subsequent tax payment that the seller or consumer remits by some means other than electronic funds transfer.

Sec. 5741.122. (A) If required by the tax commissioner, a person required to make payments by electronic funds transfer under section 5739.032 or 5741.121 of the Revised Code shall file all returns and reports electronically. The commissioner may require the person to use the Ohio business gateway, as defined in section 718.051 of the Revised Code, or any other electronic means, to file the returns and reports, or to remit the tax, in lieu of the manner prescribed by the treasurer of state under sections 5739.032 and 5741.121 of the Revised Code.

(B) A person required under this section to file reports and returns electronically may apply to the commissioner to be excused from that requirement. Applications shall be made on a form prescribed by the commissioner. The commissioner may approve the application for good cause.

(C)(1) If a person required to file a report or return electronically under this section fails to do so, the commissioner may impose an additional charge not to exceed the following:

(a) For each of the first two failures, five per cent of the amount required to be reported on the report or return;

(b) For the third and any subsequent failure, ten per cent of the amount required to be reported on the report or return.

(2) The charges authorized under division (C)(1) of this section are in addition to any other charge or penalty authorized under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5741.13 of the Revised Code. The commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

Sec. 5743.01. As used in this chapter:

(A) "Person" includes individuals, firms, partnerships, associations, joint-stock companies, corporations, combinations of individuals of any form, and the state and any of its political subdivisions.

(B) "Wholesale dealer" includes only those persons:

(1) Who bring in or cause to be brought into this state unstamped cigarettes purchased directly from the manufacturer, producer, or importer of cigarettes for sale in this state but does not include persons who bring in or cause to be brought into this state cigarettes with respect to which no

evidence of tax payment is required thereon as provided in section 5743.04 of the Revised Code; or

(2) Who are engaged in the business of selling cigarettes or tobacco products to others for the purpose of resale.

"Wholesale dealer" does not include any cigarette manufacturer, export warehouse proprietor, or importer with a valid permit under 26 U.S.C. 5713 if that person sells cigarettes in this state only to wholesale dealers holding valid and current licenses under section 5743.15 of the Revised Code or to an export warehouse proprietor or another manufacturer.

(C) "Retail dealer" includes:

(1) In reference to dealers in cigarettes, every person other than a wholesale dealer engaged in the business of selling cigarettes in this state, regardless of whether the person is located in this state or elsewhere, and regardless of quantity, amount, or number of sales;

(2) In reference to dealers in tobacco products, any person in this state engaged in the business of selling tobacco products to ultimate consumers in this state, regardless of quantity, amount, or number of sales.

(D) "Sale" includes exchange, barter, gift, offer for sale, and distribution, and includes transactions in interstate or foreign commerce.

(E) "Cigarettes" includes any roll for smoking made wholly or in part of tobacco, irrespective of size or shape, and whether or not such tobacco is flavored, adulterated, or mixed with any other ingredient, the wrapper or cover of which is made of paper, reconstituted cigarette tobacco, homogenized cigarette tobacco, cigarette tobacco sheet, or any similar materials other than cigar tobacco.

(F) "Package" means the individual package, box, or other container in or from which retail sales of cigarettes are normally made or intended to be made.

(G) "Stamp" includes an impression made by a metering device as provided for in section 5743.04 of the Revised Code.

(H) "Storage" includes any keeping or retention of cigarettes or tobacco products for use or consumption in this state.

(I) "Use" includes the exercise of any right or power incidental to the ownership of cigarettes or tobacco products.

(J) "Tobacco product" or "other tobacco product" means any product made from tobacco, other than cigarettes, that is made for smoking or chewing, or both, and snuff.

(K) "Wholesale price" means the invoice price, including all federal excise taxes, at which the manufacturer of the tobacco product sells the tobacco product to unaffiliated distributors, excluding any discounts based

on the method of payment of the invoice or on time of payment of the invoice. If the taxpayer buys from other than a manufacturer, "wholesale price" means the invoice price, including all federal excise taxes and excluding any discounts based on the method of payment of the invoice or on time of payment of the invoice.

(L) "Distributor" means:

(1) Any manufacturer who sells, barter, exchanges, or distributes tobacco products to a retail dealer in the state, except when selling to a retail dealer that has filed with the manufacturer a signed statement agreeing to pay and be liable for the tax imposed by section 5743.51 of the Revised Code;

(2) Any wholesale dealer located in the state who receives tobacco products from a manufacturer, or who receives tobacco products on which the tax imposed by this chapter has not been paid;

(3) Any wholesale dealer located outside the state who sells, barter, exchanges, or distributes tobacco products to a wholesale or retail dealer in the state; or

(4) Any retail dealer who receives tobacco products on which the tax has not or will not be paid by another distributor, including a retail dealer that has filed a signed statement with a manufacturer in which the retail dealer agrees to pay and be liable for the tax that would otherwise be imposed on the manufacturer by section 5743.51 of the Revised Code.

(M) "Taxpayer" means any person liable for the tax imposed by section 5743.51, 5743.62, or 5743.63 of the Revised Code.

(N) "Seller" means any person located outside this state engaged in the business of selling tobacco products to consumers for storage, use, or other consumption in this state.

(O) "Manufacturer" means any person who manufactures and sells cigarettes or tobacco products.

(P) "Importer" means any person that ~~imports~~ is authorized, under a valid permit issued under Section 5713 of the Internal Revenue Code, to import finished cigarettes into the United States, either directly or indirectly.

Sec. 5743.20. No person shall sell any cigarettes both as a retail dealer and as a wholesale dealer at the same place of business. No person other than a licensed wholesale dealer shall sell cigarettes to a licensed retail dealer. No retail dealer shall purchase cigarettes from any person other than a licensed wholesale dealer.

Subject to section 5743.031 of the Revised Code, a licensed wholesale dealer may not sell cigarettes to any person in this state other than a licensed retail dealer, except a licensed wholesale dealer may sell cigarettes to

another licensed wholesale dealer if the tax commissioner has authorized the sale of the cigarettes between those wholesale dealers and the wholesale dealer that sells the cigarettes received them directly from a licensed manufacturer or licensed importer.

The tax commissioner shall adopt rules governing sales of cigarettes between licensed wholesale dealers, including rules establishing criteria for authorizing such sales.

No manufacturer or importer shall sell cigarettes to any person in this state other than to a licensed wholesale dealer or licensed importer. No importer shall purchase cigarettes from any person other than a licensed manufacturer or licensed importer.

A retail dealer may purchase other tobacco products only from a licensed distributor. A licensed distributor may sell tobacco products only to a retail dealer, except a licensed distributor may sell tobacco products to another licensed distributor if the tax commissioner has authorized the sale of the tobacco products between those distributors and the distributor that sells the tobacco products received them directly from a manufacturer or importer of tobacco products.

The tax commissioner may adopt rules governing sales of tobacco products between licensed distributors, including rules establishing criteria for authorizing such sales.

The identities of ~~licensed distributors~~ cigarette manufacturers and importers, licensed cigarette wholesalers, licensed distributors of other tobacco products, and registered manufacturers, importers, and brokers of other tobacco products are subject to public disclosure. The tax commissioner shall maintain an alphabetical list of all such ~~distributors~~ manufacturers, importers, wholesalers, distributors, and brokers, shall post the list on a web site accessible to the public through the internet, and shall periodically update the web site posting.

As used in this section, "licensed" means the manufacturer, importer, wholesale dealer, ~~retail dealer~~, or distributor holds a current and valid license issued under section 5743.15 or 5743.61 of the Revised Code, and "registered" means registered with the tax commissioner under section 5743.66 of the Revised Code.

Sec. 5743.99. (A) ~~Whoever~~ (1) Except as provided in division (A)(2) of this section, whoever violates section 5743.10, 5743.11, or 5743.12 or division (C) of section 5743.54 of the Revised Code is guilty of a misdemeanor of the first degree. If the offender has been previously convicted of an offense under this division, violation is a felony of the fourth degree.

(2) Unless the total number of cigarettes exceeds one thousand two hundred, an individual who violates section 5743.10 of the Revised Code is guilty of a minor misdemeanor. If the offender has been previously convicted of an offense under this division, violation is a misdemeanor of the first degree.

(B) Whoever violates section 5743.111, 5743.112, 5743.13, 5743.14, 5743.59, or 5743.60 of the Revised Code is guilty of a felony of the fourth degree. If the offender has been previously convicted of an offense under this division, violation is a felony of the second degree.

(C) Whoever violates section 5743.41 or 5743.42 of the Revised Code is guilty of a misdemeanor of the fourth degree. If the offender has been previously convicted of an offense under this division, violation is a misdemeanor of the third degree.

(D) Whoever violates section 5743.21 of the Revised Code is guilty of a misdemeanor of the first degree. If the offender has been previously convicted of an offense under this division, violation is a felony of the fifth degree.

(E) Whoever violates division (F) of section 5743.03 of the Revised Code is guilty of a misdemeanor of the fourth degree.

(F) Whoever violates any provision of this chapter, or any rule promulgated by the tax commissioner under authority of this chapter, for the violation of which no penalty is provided elsewhere, is guilty of a misdemeanor of the fourth degree.

(G) In addition to any other penalty imposed upon a person convicted of a violation of section 5743.112 or 5743.60 of the Revised Code who was the operator of a motor vehicle used in the violation, the court shall suspend for not less than thirty days or more than three years the offender's driver's license, commercial driver's license, temporary instruction permit, probationary license, or nonresident operating privilege. The court shall send a copy of its suspension order and determination to the registrar of motor vehicles, and the registrar, pursuant to the order and determination, shall impose a suspension of the same duration. No judge shall suspend the first thirty days of suspension of an offender's license, permit, or privilege required by this division.

Sec. 5745.02. (A) The annual report filed under section 5745.03 of the Revised Code determines a taxpayer's Ohio net income and the portion of Ohio net income to be apportioned to a municipal corporation.

(B) A taxpayer's Ohio net income is determined by multiplying the taxpayer's adjusted federal taxable income by the sum of the property factor multiplied by one-third, the payroll factor multiplied by one-third, and the

sales factor multiplied by one-third. If the denominator of one of the factors is zero, the remaining two factors each shall be multiplied by one-half instead of one-third; if the denominator of two of the factors is zero, the remaining factor shall be multiplied by one. The property, payroll, and sales factors shall be determined in the manner prescribed by divisions (B)(1), (2), and (3) of this section.

(1) The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented, and used in business in this state during the taxable year, and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented, and used in business everywhere during such year. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. "Net annual rental rate" means the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The average value of property shall be determined by averaging the values at the beginning and the end of the taxable year, but the tax commissioner may require the averaging of monthly values during the taxable year, if reasonably required to reflect properly the average value of the taxpayer's property.

(2) The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the taxable year by the taxpayer for compensation, and the denominator of which is the total compensation paid everywhere by the taxpayer during such year. Compensation means any form of remuneration paid to an employee for personal services. Compensation is paid in this state if: (a) the recipient's service is performed entirely within this state, (b) the recipient's service is performed both within and without this state, but the service performed without this state is incidental to the recipient's service within this state, or (c) some of the service is performed within this state and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the recipient's residence is in this state.

(3) The sales factor is a fraction, the numerator of which is the total sales in this state by the taxpayer during the taxable year, and the denominator of which is the total sales by the taxpayer everywhere during such year. Sales of electricity shall be situated to this state in the manner provided under section 5733.059 of the Revised Code. In determining the numerator and denominator of the sales factor, receipts from the sale or

other disposal of a capital asset or an asset described in section 1231 of the Internal Revenue Code shall be eliminated. Also, in determining the numerator and denominator of the sales factor, in the case of a reporting taxpayer owning at least eighty per cent of the issued and outstanding common stock of one or more insurance companies or public utilities, except an electric company, a combined company, or a telephone company, or owning at least twenty-five per cent of the issued and outstanding common stock of one or more financial institutions, receipts received by the reporting taxpayer from such utilities, insurance companies, and financial institutions shall be eliminated.

For the purpose of division (B)(3) of this section, sales of tangible personal property are in this state where such property is received in this state by the purchaser. In the case of delivery of tangible personal property by common carrier or by other means of transportation, the place at which such property is ultimately received after all transportation has been completed shall be considered as the place at which such property is received by the purchaser. Direct delivery in this state, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in this state, and direct delivery outside this state to a person or firm designated by a purchaser does not constitute delivery to the purchaser in this state, regardless of where title passes or other conditions of sale.

Sales, other than sales of electricity or tangible personal property, are in this state if either the income-producing activity is performed solely in this state, or the income-producing activity is performed both within and without this state and a greater proportion of the income-producing activity is performed within this state than in any other state, based on costs of performance.

For the purposes of division (B)(3) of this section, the tax commissioner may adopt rules to apportion sales within this state.

(C) The portion of a taxpayer's Ohio net income taxable by each municipal corporation imposing an income tax shall be determined by multiplying the taxpayer's Ohio net income by the sum of the municipal property factor multiplied by one-third, the municipal payroll factor multiplied by one-third, and the municipal sales factor multiplied by one-third, and subtracting from the product so obtained any "municipal net operating loss carryforward from prior taxable years." If the denominator of one of the factors is zero, the remaining two factors each shall be multiplied by one-half instead of one-third; if the denominator of two of the factors is zero, the remaining factor shall be multiplied by one. In calculating the

"municipal net operating loss carryforward from prior taxable years" for each municipal corporation, net operating losses are apportioned in and out of a municipal corporation for the taxable year in which the net operating loss occurs in the same manner that positive net income would have been so apportioned. Any net operating loss for a municipal corporation may be applied to subsequent net income in that municipal corporation to reduce that income to zero or until the net operating loss has been fully used as a deduction. The unused portion of net operating losses for each taxable year apportioned to a municipal corporation may only be applied against the income apportioned to that municipal corporation for five subsequent taxable years. Net operating losses occurring in taxable years ending before 2002 may not be subtracted under this section.

A taxpayer's municipal property, municipal payroll, and municipal sales factors for a municipal corporation shall be determined as provided in divisions (C)(1), (2), and (3) of this section.

(1) The municipal property factor is the quotient obtained by dividing (a) the average value of real and tangible personal property owned or rented by the taxpayer and used in business in the municipal corporation during the taxable year by (b) the average value of all of the taxpayer's real and tangible personal property owned or rented and used in business during that taxable year in this state. The value and average value of such property shall be determined in the same manner provided in division (B)(1) of this section.

(2) The municipal payroll factor is the quotient obtained by dividing (a) the total amount of compensation earned in the municipal corporation by the taxpayer's employees during the taxable year for services performed for the taxpayer and that is subject to income tax withholding by the municipal corporation by (b) the total amount of compensation paid by the taxpayer to its employees in this state during the taxable year. Compensation has the same meaning as in division (B)(2) of this section.

(3) The municipal sales factor is a fraction, the numerator of which is the taxpayer's total sales in a municipal corporation during the taxable year, and the denominator of which is the taxpayer's total sales in this state during such year.

For the purpose of division (C)(3) of this section, sales of tangible personal property are in the municipal corporation where such property is received in the municipal corporation by the purchaser. Sales of electricity directly to the ~~consumer~~ customer, as defined in section 5733.059 of the Revised Code, shall be considered sales of tangible personal property. In the case of the delivery of tangible personal property by common carrier or by

other means of transportation, the place at which such property ultimately is received after all transportation has been completed shall be considered as the place at which the property is received by the purchaser. Direct delivery in the municipal corporation, other than for purposes of transportation, to a person or firm designated by a purchaser constitutes delivery to the purchaser in that municipal corporation, and direct delivery outside the municipal corporation to a person or firm designated by a purchaser does not constitute delivery to the purchaser in that municipal corporation, regardless of where title passes or other conditions of sale. Sales, other than sales of tangible personal property, are in the municipal corporation if either:

(a) The income-producing activity is performed solely in the municipal corporation;

(b) The income-producing activity is performed both within and without the municipal corporation and a greater proportion of the income-producing activity is performed within that municipal corporation than any other location in this state, based on costs of performance.

For the purposes of division (C)(3) of this section, the tax commissioner may adopt rules to apportion sales within each municipal corporation.

(D) If a taxpayer is a combined company as defined in section 5727.01 of the Revised Code, the municipal property, payroll, and sales factors under division (C) of this section shall be adjusted as follows:

(1) The numerator of the municipal property factor shall include only the value, as determined under division (C)(1) of this section, of the company's real and tangible property in the municipal corporation attributed to the company's activity as an electric company using the same methodology prescribed under section 5727.03 of the Revised Code for taxable tangible personal property.

(2) The numerator of the municipal payroll factor shall include only compensation paid in the municipal corporation by the company to its employees for personal services rendered in the company's activity as an electric company.

(3) The numerator of the municipal sales factor shall include only the sales of tangible personal property and services, as determined under division (C)(3) of this section, made in the municipal corporation in the course of the company's activity as an electric company.

(E)(1) If the provisions for apportioning adjusted federal taxable income or Ohio net income under divisions (B), (C), and (D) of this section do not fairly represent business activity in this state or among municipal corporations, the tax commissioner may adopt rules for apportioning such

income by an alternative method that fairly represents business activity in this state or among municipal corporations.

(2) If any of the factors determined under division (B), (C), or (D) of this section does not fairly represent the extent of a taxpayer's business activity in this state or among municipal corporations, the taxpayer may request, or the tax commissioner may require, that the taxpayer's adjusted federal taxable income or Ohio net income be determined by an alternative method, including any of the alternative methods enumerated in division (B)(2)(d) of section 5733.05 of the Revised Code. A taxpayer requesting an alternative method shall make the request in writing to the tax commissioner either with the annual report, a timely filed amended report, or a timely filed petition for reassessment. When the tax commissioner requires or permits an alternative method under division (E)(2) of this section, the tax commissioner shall cause a written notice to that effect to be delivered to any municipal corporation that would be affected by application of the alternative method. Nothing in this division shall be construed to extend any statute of limitations under this chapter.

(F)(1) The tax commissioner may adopt rules providing for the combination of adjusted federal taxable incomes of taxpayers satisfying the ownership or control requirements of section 5733.052 of the Revised Code if the tax commissioner finds that such combinations are necessary to properly reflect adjusted federal taxable income, Ohio net income, or the portion of Ohio net income to be taxable by municipal corporations.

(2) A taxpayer satisfying the ownership or control requirements of section 5733.052 of the Revised Code with respect to one or more other taxpayers may not combine their adjusted federal taxable incomes for the purposes of this section unless rules are adopted under division (F)(1) of this section allowing such a combination or the tax commissioner finds that such a combination is necessary to properly reflect the taxpayers' adjusted federal taxable incomes, Ohio net incomes, or the portion of Ohio net incomes to be subject to taxation within a municipal corporation.

(G) The tax commissioner may adopt rules providing for alternative apportionment methods for a telephone company.

Sec. 5745.05. (A) Prior to the first day of March, June, September, and December, the tax commissioner shall certify to the director of budget and management the amount to be paid to each municipal corporation, as indicated on the declaration of estimated tax reports and annual reports received under sections 5745.03 and 5745.04 of the Revised Code, less any amounts previously distributed and net of any audit adjustments made by the tax commissioner. Not later than the first day of March, June, September,

and December, the director of budget and management shall provide for payment of the amount certified to each municipal corporation from the municipal income tax fund, plus a pro rata share of any investment earnings accruing to the fund since the previous payment under this section apportioned among municipal corporations entitled to such payments in proportion to the amount certified by the tax commissioner.

(B) If the tax commissioner determines that the amount of tax paid by a taxpayer and distributed to a municipal corporation under this section for a taxable year exceeds the amount payable to that municipal corporation under this chapter after accounting for amounts remitted with the annual report and as estimated taxes, the tax commissioner shall permit the taxpayer to credit the excess against the taxpayer's payments to the municipal corporation of estimated taxes remitted for an ensuing taxable year under section 5745.04 of the Revised Code. If, upon the written request of the taxpayer, the tax commissioner determines that the excess to be so credited is likely to exceed the amount of estimated taxes payable by the taxpayer to the municipal corporation during the ensuing twelve months, the tax commissioner shall so notify the municipal corporation and the municipal corporation shall issue a refund of the excess to the taxpayer within ninety days after receiving such a notice. Interest shall accrue on the amount to be refunded and is payable to the taxpayer at the rate per annum prescribed by section 5703.47 of the Revised Code from the ninety-first day after the notice is received by the municipal corporation until the day the refund is paid. Immediately after notifying a municipal corporation under this division of an excess to be refunded, the commissioner also shall notify the director of budget and management of the amount of the excess, and the director shall transfer from the municipal income tax administrative fund to the municipal income tax fund one and one-half per cent of the amount of the excess. The commissioner shall include the transferred amount in the computation of the amount due the municipal corporation in the next certification to the director under division (A) of this section.

Sec. 5745.13. If, upon examination of any books, records, reports, or other documents of a taxpayer, the tax commissioner determines that an adjustment shall be made in the portion of the taxpayer's income that is to be apportioned to a municipal corporation, the tax commissioner shall notify the taxpayer and, if the adjustment causes an adjustment in the taxpayer's tax owed to a municipal corporation for the taxpayer's taxable year of more than five hundred dollars, shall notify ~~each affected~~ that municipal corporation that the taxpayer's tax has been adjusted.

Any municipal corporation to which such a notice is issued may request

a review and redetermination of the taxpayer's federal taxable income, Ohio net income, or the portion of Ohio net income apportioned to the municipal corporation by filing a petition with the tax commissioner not later than sixty days after the tax commissioner issues the notice. The petition shall be filed either personally or by certified mail, and shall indicate the objections of the municipal corporation.

Upon receiving such a petition, if a hearing is requested the tax commissioner shall assign a time and place for a hearing on the petition and shall notify the petitioner of the time and place of the hearing by ordinary mail. The tax commissioner may continue the hearing from time to time as necessary. The tax commissioner shall make any correction to the taxpayer's federal taxable income, Ohio net income, or apportionment of Ohio net income that the commissioner finds proper, and issue notice of any correction by ordinary mail to the petitioner, to each other municipal corporation affected by the correction of the apportionment, and to the taxpayer. The tax commissioner's decision on the matter is final, and is not subject to further appeal.

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 7702B(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.

(24) Deduct, to the extent included in federal adjusted gross income and

not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard. The deduction may not be claimed for military pay and allowances received by the taxpayer while the taxpayer is stationed in this state.

(25) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year and not otherwise compensated for by any other source, the amount of qualified organ donation expenses incurred by the taxpayer during the taxable year, not to exceed ten thousand dollars. A taxpayer may deduct qualified organ donation expenses only once for all taxable years beginning with taxable years beginning in 2007.

For the purposes of division (A)(25) of this section:

(a) "Human organ" means all or any portion of a human liver, pancreas, kidney, intestine, or lung, and any portion of human bone marrow.

(b) "Qualified organ donation expenses" means travel expenses, lodging expenses, and wages and salary forgone by a taxpayer in connection with the taxpayer's donation, while living, of one or more of the taxpayer's human organs to another human being.

(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 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 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. 5747.03. (A) All money collected under this chapter arising from the taxes imposed by section 5747.02 or 5747.41 of the Revised Code shall be credited to the general revenue fund, except that the treasurer of state shall:

~~(1) Credit an amount equal to four and two-tenths per cent of those taxes collected under this chapter to the local government fund, which is hereby created in the state treasury, for distribution in accordance with section 5747.50 of the Revised Code;~~

~~(2) Credit an amount equal to five and seven-tenths per cent of those taxes collected under this chapter to the library and local government support fund, which is hereby created in the state treasury, for distribution in accordance with section 5747.47 of the Revised Code;~~

~~(3) At, at~~ the beginning of each calendar quarter, credit to the Ohio political party fund, pursuant to section 3517.16 of the Revised Code, an amount equal to the total dollar value realized from the taxpayer exercise of

the income tax checkoff option on tax forms processed during the preceding calendar quarter;

~~(4) Credit an amount equal to six tenths of one per cent of those taxes collected under this chapter to the local government revenue assistance fund for distribution in accordance with section 5747.61 of the Revised Code.~~

(B)(1) Following the crediting of moneys pursuant to division (A) of this section, the remainder deposited in the general revenue fund shall be distributed pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code; to make subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; to support expenditures for programs and services for the mentally ill, mentally retarded, developmentally disabled, and elderly; for primary and secondary education; for medical assistance; and for any other purposes authorized by law, subject to the limitation that at least fifty per cent of the income tax collected by the state from the tax imposed by section 5747.02 of the Revised Code shall be returned pursuant to Section 9 of Article XII, Ohio Constitution.

(2) To ensure that such constitutional requirement is satisfied the tax commissioner shall, on or before the thirtieth day of June of each year, from the best information available to the tax commissioner, determine and certify for each county to the director of budget and management the amount of taxes collected under this chapter from the tax imposed under section 5747.02 of the Revised Code during the preceding calendar year that are required to be returned to the county by Section 9 of Article XII, Ohio Constitution. The director shall provide for payment from the general revenue fund to the county in the amount, if any, that the sum of the amount so certified for that county exceeds the sum of the following:

(a) The sum of the payments from the general revenue fund for the preceding calendar year credited to the ~~credit of the~~ county's undivided income tax fund pursuant to division (F) of section 321.24 and section 323.156 of the Revised Code or made directly from the general revenue fund to political subdivisions located in the county;

(b) The sum of the amounts from the general revenue fund distributed in the county during the preceding calendar year for subsidy payments to institutions of higher education from appropriations to the Ohio board of regents; for programs and services for mentally ill, mentally retarded, developmentally disabled, and elderly persons; for primary and secondary education; and for medical assistance.

(c) ~~The~~ In the case of payments made by the director under this division in 2007, the total amount distributed to the county during the preceding

calendar year from the local government fund and the local government revenue assistance fund, and, in the case of payments made by the director under this division in subsequent calendar years, the amount distributed to the county from the local government fund;

(d) ~~The~~ In the case of payments made by the director under this division, the total amount distributed to the county during the preceding calendar year from the library and local government support fund;

~~(e) The amount distributed to the county during the preceding calendar year from the local government revenue assistance fund.~~

Payments under this division shall be credited to the county's undivided income tax fund, except that, notwithstanding section 5705.14 of the Revised Code, such payments may be transferred by the board of county commissioners to the county general fund by resolution adopted with the affirmative vote of two-thirds of the members thereof.

(C) All payments received in each month from taxes imposed under Chapter 5748. of the Revised Code and any penalties or interest thereon shall be paid into the school district income tax fund, which is hereby created in the state treasury, except that an amount equal to the following portion of such payments shall be paid into the general school district income tax administrative fund, which is hereby created in the state treasury:

(1) One and three-quarters of one per cent of those received in fiscal year 1996;

(2) One and one-half per cent of those received in fiscal year 1997 and thereafter.

Money in the school district income tax administrative fund shall be used by the tax commissioner to defray costs incurred in administering the school district's income tax, including the cost of providing employers with information regarding the rate of tax imposed by any school district. Any moneys remaining in the fund after such use shall be deposited in the school district income tax fund.

All interest earned on moneys in the school district income tax fund shall be credited to the fund.

(D)(1)(a) Within thirty days of the end of each calendar quarter ending on the last day of March, June, September, and December, the director of budget and management shall make a payment from the school district income tax fund to each school district for which school district income tax revenue was received during that quarter. The amount of the payment shall equal the balance in the school district's account at the end of that quarter.

(b) After a school district ceases to levy an income tax, the director of

budget and management shall adjust the payments under division (D)(1)(a) of this section to retain sufficient money in the school district's account to pay refunds. For the calendar quarters ending on the last day of March and December of the calendar year following the last calendar year the tax is levied, the director shall make the payments in the amount required under division (D)(1)(a) of this section. For the calendar quarter ending on the last day of June of the calendar year following the last calendar year the tax is levied, the director shall make a payment equal to nine-tenths of the balance in the account at the end of that quarter. For the calendar quarter ending on the last day of September of the calendar year following the last calendar year the tax is levied, the director shall make no payment. For the second and succeeding calendar years following the last calendar year the tax is levied, the director shall make one payment each year, within thirty days of the last day of June, in an amount equal to the balance in the district's account on the last day of June.

(2) Moneys paid to a school district under this division shall be deposited in its school district income tax fund. All interest earned on moneys in the school district income tax fund shall be apportioned by the tax commissioner pro rata among the school districts in the proportions and at the times the districts are entitled to receive payments under this division.

Sec. 5747.47. (A)(1) By the twentieth day of July of each year, the tax commissioner shall estimate and certify the following for each county to its county auditor:

- (a) Its guaranteed share of the ensuing year's fund balance;
- (b) Its share of the excess of the ensuing year's fund balance;
- (c) Its total entitlement.

(2) In December and in June following such estimations and certifications, the commissioner shall revise such estimates and certify such revised estimates to the respective county auditors.

(B) By the tenth day of each month the commissioner shall distribute the amount credited to the library and local government support fund ~~from taxes collected under this chapter during the preceding month~~ in the current month under section 131.51 of the Revised Code. The distributions shall be made as follows:

(1) During the first six months of each year, each county shall be paid a percentage of the balance that is the same per cent that the revised estimate of the county's total entitlement certified in December under division (A)(2) of this section is of the sum of such revised estimates of the total entitlements for all counties.

(2) During the last six months, each county shall be paid a percentage of

the balance that is the same per cent that the revised estimate of the county's total entitlement certified in June under division (A)(2) of this section is of the sum of such revised estimates of the total entitlements for all counties.

(3) During each of the first six months of each year, the payments made to each county shall be adjusted as follows:

(a) If the county received an overpayment during the preceding distribution year, reduce the sum of the payments by the amount of such overpayment. The reduction shall be apportioned over the six months.

(b) If the county received an underpayment during the preceding distribution year, increase the sum of the payments by the amount of such underpayment. The increase shall be apportioned over the six months.

(C) By the twentieth day of December of each year, the tax commissioner shall determine and certify to the auditor of each county each of the following with respect to the current distribution year:

- (1) The year's fund balance;
- (2) Each county's guaranteed share;
- (3) Each county's share of the excess;
- (4) Each county's total entitlement;
- (5) Each county's net distribution;

(6) The amount by which each county's net distribution exceeded or was less than its total entitlement, which amount shall constitute the county's overpayment or underpayment for purposes of division (B)(3) of this section in the ensuing distribution year.

Sec. 5747.50. (A) As used in this section:

(1) "County's proportionate share of the calendar year 2007 LGF and LGRAF distributions" means the percentage computed for the county under division (B)(1)(a) of section 5747.501 of the Revised Code ~~for use in the current calendar year.~~

(2) "1983 share" means the sum of all payments made to a county under ~~section 5747.50 of the Revised Code during 1983 under all versions of such section that were in effect during such year plus the payments made to the county's undivided local government fund in 1983 from the tax imposed on deposits under division (C) of section 5707.03 of the Revised Code.~~

(3) "Amount available for distribution under division (B) of this section" means for any calendar year, both of the following:

(a) ~~Nine tenths of the difference between the amount available for distribution under this section during that year and the deposit tax revenue of all counties;~~

(b) ~~The deposit tax revenue of all counties less six million dollars.~~

~~Each year, an amount equal to the amount available for distribution~~

~~under division (B) of this section shall be distributed from the local government fund as provided in that division. The balance in the fund available for distribution in that year under this section and not available for distribution under this division shall be distributed in accordance with division (C) of this section. The tax commissioner shall determine in each month what proportion of that month's local government fund balance shall be distributed under division (B) of this section and what proportion shall be distributed under division (C) of this section~~ "County's proportionate share of the total amount of the local government fund additional revenue formula" means each county's proportionate share of the state's population as determined for and certified to the county for distributions to be made during the current calendar year under division (B)(2)(a) of section 5747.501 of the Revised Code. If prior to the first day of January of the current calendar year the federal government has issued a revision to the population figures reflected in the estimate produced pursuant to division (B)(2)(a) of section 5747.501 of the Revised Code, such revised population figures shall be used for making the distributions during the current calendar year.

(3) "2007 LGF and LGRAF county distribution base available in that month" means the lesser of the amounts described in division (A)(3)(a) and (b) of this section, provided that the amount shall not be less than zero:

(a) The total amount available for distribution to counties from the local government fund during the current month.

(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund to counties in calendar year 2007 less the total amount distributed to counties under division (B)(1) of this section during previous months of the current calendar year.

(4) "Local government fund additional revenue distribution base available during that month" means the total amount available for distribution to counties during the month from the local government fund, less any amounts to be distributed in that month from the local government fund under division (B)(1) of this section, provided that the local government fund additional revenue distribution base available during that month shall not be less than zero.

(5) "Total amount available for distribution to counties" means the total amount available for distribution from the local government fund during the current month less the total amount available for distribution to municipal corporations during the current month under division (C) of this section.

(B) On or before the tenth day of each month, the tax commissioner

shall provide for payment to ~~the county treasurer of~~ each county of an amount equal to the sum of:

(1) The county's proportionate share of the calendar year 2007 LGF and LGRAF distributions multiplied by the 2007 LGF and LGRAF county distribution base available in that month, provided that if the 2007 LGF and LGRAF county distribution base available in that month is zero, no payment shall be made under division (B)(1) of this section for the month or the remainder of the calendar year; and

(2) The county's proportionate share of the total amount of the local government fund additional revenue formula multiplied by the local government fund additional revenue distribution base available for distribution during that month under this division, except as otherwise provided and in such a way that on the last day of each calendar year, each county shall have received an amount equal to its proportionate share of the amount available for distribution under this division during that year. Counties whose proportionate shares are less than their 1983 shares shall receive an amount equal to their 1983 shares during the year in lieu of their proportionate shares, and the amounts required to be paid to all other counties shall be proportionately reduced to fund such deficiency. If any county receives payments in any year that exceed the amount to which it is entitled, that excess shall be deducted from the payments due the county in the ensuing calendar year and apportioned among and paid to the counties that did not receive any such excess.

~~The amount paid to any county in any month shall not be less than twenty five thousand dollars unless a smaller payment is required in order to avoid paying that county more during the year than the amount to which it is entitled for that year.~~

Money received into the treasury of a county under this division shall be credited to the undivided local government fund in the treasury of the county on or before the fifteenth day of each month. The On or before the twentieth day of each month, the county auditor shall issue warrants against all of the undivided local government fund in the county treasury in the respective amounts allowed as provided in section 5747.51 of the Revised Code, and the treasurer shall distribute and pay such sums to the subdivision therein.

(C)(1) As used in division (C) of this section:

(a) "Total amount available for distribution to municipalities during the current month" means the product obtained by multiplying the total amount available for distribution from the local government fund during the current month by the aggregate municipal share.

(b) "Aggregate municipal share" means the quotient obtained by dividing the total amount distributed directly from the local government fund to municipal corporations during calendar year 2007 by the total distributions from the local government fund and local government revenue assistance fund during calendar year 2007.

(2) On or before the tenth day of each month, the tax commissioner shall provide for payment from the local government fund to each municipal corporation which had in effect during the preceding calendar year a tax imposed under Chapter 718. of the Revised Code. The amount paid to each municipal corporation shall bear the same an amount equal to the product derived by multiplying the municipal corporation's percentage of the total amount to be distributed to all such municipal corporations under this division as the total income taxes collected by such municipal corporation during the second calendar year preceding the year in which distribution is made bears to the total amount of such taxes collected by all municipal corporations during such period 2007 by the total amount available for distribution to municipal corporations during the current month. Payments

(3) Payments received by a municipal corporation under this division shall be paid into its general fund and may be used for any lawful purpose.

(4) The amount distributed to municipal corporations under this division during any calendar year shall not exceed the amount distributed directly from the local government fund to municipal corporations during calendar year 2007. If that maximum amount is reached during any month, distributions to municipal corporations in that month shall be as provided in divisions (C)(1) and (2) of this section, but no further distributions shall be made to municipal corporations under division (C) of this section during the remainder of the calendar year.

(5) Upon being informed of a municipal corporation's dissolution, the tax commissioner shall cease providing for payments to that municipal corporation under division (C) of this section. The proportionate shares of the total amount available for distribution to each of the remaining municipal corporations under this division shall be increased on a pro rata basis.

(D) Each municipal corporation which has in effect a tax imposed under Chapter 718. of the Revised Code shall, no later than the thirty-first day of August of each year, certify to the tax commissioner the total amount of income taxes collected by such municipal corporation pursuant to such chapter during the preceding calendar year. The tax commissioner shall ~~may~~ withhold payment of local government fund moneys pursuant to division (C) of this section from any municipal corporation for failure to comply

with this reporting requirement.

Sec. 5747.501. (A) ~~By~~ On or before the ~~fifteenth~~ twenty-fifth day of ~~December~~ July of each year, the tax commissioner shall estimate and certify to ~~each county auditor~~ to each undivided local government fund the amount to be ~~paid into~~ distributed from the local government fund ~~for distribution to each undivided local government fund~~ during the following calendar year under section 5747.50 of the Revised Code. The ~~commissioner estimate~~ shall ~~then determine~~ equal the ~~sum of the~~ separate amounts ~~that would be paid to each county if the amount so certified were distributed~~ computed under divisions ~~(A)(B)~~(1) and (2) of this section as follows:

~~(1)(a) As used in this division and in section 5747.50 of the Revised Code, "deposit tax revenue" means one hundred forty five and forty five one hundredths per cent of the payments made to the county's undivided local government fund in 1983 from the tax imposed on deposits under division (C) of section 5707.03 of the Revised Code.~~

~~(b) Compute each county's deposit tax revenue.~~

~~(c) Determine how much each county would receive if nine-tenths of the difference between the amount certified under division (A) of this section and the sum of all counties' deposit tax revenues, less six million dollars, were allocated among the counties in the following year as follows:~~

~~(i) Seventy five per cent of said amount shall be apportioned in the ratio that the total of the real, public utility, and tangible personal property tax duplicates of the municipal corporations, or parts thereof, in the county for the year next preceding the year in which the computation is made bears to the total aggregate real, public utility, and tangible personal property tax duplicates of all the municipal corporations in the state for the same year.~~

~~(ii) Twenty five per cent shall be apportioned among all the counties in the ratio that the population of the county at the last federal decennial census bears to the total population of the state.~~

~~(iii) Adjust the sum of the allocations under divisions (A)(1)(c)(i) and (ii) for each county so that the sum allocated to each county under those divisions is at least two hundred twenty five thousand dollars. If such an adjustment is made, the sum of the apportionments to the counties for which no adjustment is necessary shall be proportionately reduced so that the sum of the allocations to all counties equals the amount to be allocated under divisions (A)(1)(c)(i) to (iii) of this section.~~

~~(d) Add the amount allocated to each county under division (A)(1)(c) to its deposit tax revenue.~~

~~(2) Determine how much each county would receive if nine-tenths of the amount certified by the commissioner, less six million dollars, were~~

~~allocated in the manner prescribed by division (A)(1)(e) of this section.~~

~~(B) Upon the completion of the computations required by division (A) of this section, the commissioner shall assign to each county, the amount computed for it under division (A)(1)(d) of this section or the amount computed under division (A)(2) of this section, whichever is the higher amount, and compute the per cent that the assigned amount for each county is of the sum of the assigned amounts for all counties. The percentage so computed shall be the proportionate share of the county for the following calendar year for purposes of making the distributions required by section 5747.50 of the Revised Code (1) The product obtained by multiplying the percentage described in division (B)(1)(a) of this section by the amount described in division (B)(1)(b) of this section.~~

~~(a) Each county's proportionate share of the total amount distributed to the counties from the local government fund and the local government revenue assistance fund during calendar year 2007.~~

~~(b) The total amount distributed to counties from the local government fund and the local government revenue assistance fund during calendar year 2007 adjusted downward if, and to the extent that, total local government fund distributions to counties for the following year are projected to be less than what was distributed to counties from the local government fund and local government revenue assistance fund during calendar year 2007.~~

~~(2) The product obtained by multiplying the percentage described in division (B)(2)(a) of this section by the amount described in division (B)(2)(b) of this section.~~

~~(a) Each county's proportionate share of the state's population as reflected in the most recent federal decennial census or the federal government's most recent census estimates, whichever represents the most recent year.~~

~~(b) The amount by which total estimated distributions from the local government fund during the immediately succeeding calendar year, less the total estimated amount to be distributed from the fund to municipal corporations under division (C) of section 5747.50 of the Revised Code during the immediately succeeding calendar year, exceed the total amount distributed to counties from the local government fund and local government revenue assistance fund during calendar year 2007.~~

Sec. 5747.51. (A) ~~Within ten days after~~ On or before the ~~fifteenth~~ twenty-fifth day of July of each year, the tax commissioner shall make and certify to the county auditor of each county an estimate of the amount of the local government fund to be allocated to the undivided local government fund of each county for the ensuing calendar year and the estimated amount

to be received by the undivided local government fund of each county from the taxes levied pursuant to section 5707.03 of the Revised Code for the ensuing calendar year.

(B) At each annual regular session of the county budget commission convened pursuant to section 5705.27 of the Revised Code, each auditor shall present to the commission the certificate of the commissioner, the annual tax budget and estimates, and the records showing the action of the commission in its last preceding regular session. The estimates shown on the certificate of the commissioner of the amount to be allocated from the local government fund and the amount to be received from taxes levied pursuant to section 5707.03 of the Revised Code shall be combined into one total comprising the estimate of the undivided local government fund of the county. The commission, after extending to the representatives of each subdivision an opportunity to be heard, under oath administered by any member of the commission, and considering all the facts and information presented to it by the auditor, shall determine the amount of the undivided local government fund needed by and to be apportioned to each subdivision for current operating expenses, as shown in the tax budget of the subdivision. This determination shall be made pursuant to divisions (C) to (I) of this section, unless the commission has provided for a formula pursuant to section 5747.53 of the Revised Code.

Nothing in this section prevents the budget commission, for the purpose of apportioning the undivided local government fund, from inquiring into the claimed needs of any subdivision as stated in its tax budget, or from adjusting claimed needs to reflect actual needs. For the purposes of this section, "current operating expenses" means the lawful expenditures of a subdivision, except those for permanent improvements and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision.

(C) The commission shall determine the combined total of the estimated expenditures, including transfers, from the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities operated by a subdivision, as shown in the subdivision's tax budget for the ensuing calendar year.

(D) From the combined total of expenditures calculated pursuant to division (C) of this section, the commission shall deduct the following expenditures, if included in these funds in the tax budget:

(1) Expenditures for permanent improvements as defined in division (E) of section 5705.01 of the Revised Code;

(2) In the case of counties and townships, transfers to the road and bridge fund, and in the case of municipalities, transfers to the street construction, maintenance, and repair fund and the state highway improvement fund;

(3) Expenditures for the payment of debt charges;

(4) Expenditures for the payment of judgments.

(E) In addition to the deductions made pursuant to division (D) of this section, revenues accruing to the general fund and any special fund considered under division (C) of this section from the following sources shall be deducted from the combined total of expenditures calculated pursuant to division (C) of this section:

(1) Taxes levied within the ten-mill limitation, as defined in section 5705.02 of the Revised Code;

(2) The budget commission allocation of estimated county library and local government support fund revenues to be distributed pursuant to section 5747.48 of the Revised Code;

(3) Estimated unencumbered balances as shown on the tax budget as of the thirty-first day of December of the current year in the general fund, but not any estimated balance in any special fund considered in division (C) of this section;

(4) Revenue, including transfers, shown in the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities, from all other sources except those that a subdivision receives from an additional tax or service charge voted by its electorate or receives from special assessment or revenue bond collection. For the purposes of this division, where the charter of a municipal corporation prohibits the levy of an income tax, an income tax levied by the legislative authority of such municipal corporation pursuant to an amendment of the charter of that municipal corporation to authorize such a levy represents an additional tax voted by the electorate of that municipal corporation. For the purposes of this division, any measure adopted by a board of county commissioners pursuant to section 322.02, 324.02, 4504.02, or 5739.021 of the Revised Code, including those measures upheld by the electorate in a referendum conducted pursuant to section 322.021, 324.021, 4504.021, or 5739.022 of the Revised Code, shall not be considered an additional tax voted by the electorate.

Subject to division (G) of section 5705.29 of the Revised Code, money in a reserve balance account established by a county, township, or municipal corporation under section 5705.13 of the Revised Code shall not be

considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Money in a reserve balance account established by a township under section 5705.132 of the Revised Code shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section.

If a county, township, or municipal corporation has created and maintains a nonexpendable trust fund under section 5705.131 of the Revised Code, the principal of the fund, and any additions to the principal arising from sources other than the reinvestment of investment earnings arising from such a fund, shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Only investment earnings arising from investment of the principal or investment of such additions to principal may be considered an unencumbered balance or revenue under those divisions.

(F) The total expenditures calculated pursuant to division (C) of this section, less the deductions authorized in divisions (D) and (E) of this section, shall be known as the "relative need" of the subdivision, for the purposes of this section.

(G) The budget commission shall total the relative need of all participating subdivisions in the county, and shall compute a relative need factor by dividing the total estimate of the undivided local government fund by the total relative need of all participating subdivisions.

(H) The relative need of each subdivision shall be multiplied by the relative need factor to determine the proportionate share of the subdivision in the undivided local government fund of the county; provided, that the maximum proportionate share of a county shall not exceed the following maximum percentages of the total estimate of the undivided local government fund governed by the relationship of the percentage of the population of the county that resides within municipal corporations within the county to the total population of the county as reported in the reports on population in Ohio by the department of development as of the twentieth day of July of the year in which the tax budget is filed with the budget commission:

Percentage of municipal population within the county:	Percentage share of the county shall not exceed:
Less than forty-one per cent	Sixty per cent
Forty-one per cent or more but less than eighty-one per cent	Fifty per cent
Eighty-one per cent or more	Thirty per cent

Where the proportionate share of the county exceeds the limitations established in this division, the budget commission shall adjust the proportionate shares determined pursuant to this division so that the proportionate share of the county does not exceed these limitations, and it shall increase the proportionate shares of all other subdivisions on a pro rata basis. In counties having a population of less than one hundred thousand, not less than ten per cent shall be distributed to the townships therein.

(I) The proportionate share of each subdivision in the undivided local government fund determined pursuant to division (H) of this section for any calendar year shall not be less than the product of the average of the percentages of the undivided local government fund of the county as apportioned to that subdivision for the calendar years 1968, 1969, and 1970, multiplied by the total amount of the undivided local government fund of the county apportioned pursuant to former section 5735.23 of the Revised Code for the calendar year 1970. For the purposes of this division, the total apportioned amount for the calendar year 1970 shall be the amount actually allocated to the county in 1970 from the state collected intangible tax as levied by section 5707.03 of the Revised Code and distributed pursuant to section 5725.24 of the Revised Code, plus the amount received by the county in the calendar year 1970 pursuant to division (B)(1) of former section 5739.21 of the Revised Code, and distributed pursuant to former section 5739.22 of the Revised Code. If the total amount of the undivided local government fund for any calendar year is less than the amount of the undivided local government fund apportioned pursuant to former section 5739.23 of the Revised Code for the calendar year 1970, the minimum amount guaranteed to each subdivision for that calendar year pursuant to this division shall be reduced on a basis proportionate to the amount by which the amount of the undivided local government fund for that calendar year is less than the amount of the undivided local government fund apportioned for the calendar year 1970.

(J) On the basis of such apportionment, the county auditor shall compute the percentage share of each such subdivision in the undivided local government fund and shall at the same time certify to the tax commissioner the percentage share of the county as a subdivision. No payment shall be made from the undivided local government fund, except in accordance with such percentage shares.

Within ten days after the budget commission has made its apportionment, whether conducted pursuant to section 5747.51 or 5747.53 of the Revised Code, the auditor shall publish a list of the subdivisions and the amount each is to receive from the undivided local government fund and

the percentage share of each subdivision, in a newspaper or newspapers of countywide circulation, and send a copy of such allocation to the tax commissioner.

The county auditor shall also send by certified mail, return receipt requested, a copy of such allocation to the fiscal officer of each subdivision entitled to participate in the allocation of the undivided local government fund of the county. This copy shall constitute the official notice of the commission action referred to in section 5705.37 of the Revised Code.

All money received into the treasury of a subdivision from the undivided local government fund in a county treasury shall be paid into the general fund and used for the current operating expenses of the subdivision.

If a municipal corporation maintains a municipal university, such municipal university, when the board of trustees so requests the legislative authority of the municipal corporation, shall participate in the money apportioned to such municipal corporation from the total local government fund, however created and constituted, in such amount as requested by the board of trustees, provided such sum does not exceed nine per cent of the total amount paid to the municipal corporation.

If any public official fails to maintain the records required by sections 5747.50 to 5747.55 of the Revised Code or by the rules issued by the tax commissioner, the auditor of state, or the treasurer of state pursuant to such sections, or fails to comply with any law relating to the enforcement of such sections, the local government fund money allocated to the county ~~shall~~ may be withheld until such time as the public official has complied with such sections or such law or the rules issued pursuant thereto.

Sec. 5747.54. The tax commissioner ~~shall not distribute~~ may withhold distributions of local government fund money to any county where the county auditor has failed to certify to the tax commissioner the percentage share of the undivided local government fund of the county as a subdivision for the year for which distribution is to be made. The director ~~shall~~ of budget and management may direct the tax commissioner to withhold from ~~such a~~ county the percentage of the amount distributable thereto that constitutes the share of the county as a subdivision of the local government fund so long as such county is indebted or otherwise obligated to the state, until such indebtedness or other obligation has been duly paid, but no distribution of such percentage share of the local government fund shall be withheld unless an itemized statement of such indebtedness is furnished the county auditor of the county from which the indebtedness is due at least thirty days prior to the withholding of the distribution.

Any indebtedness or obligation of the state to a county shall be deducted

from the amount owing to the state by such county in determining the indebtedness or obligation as to which distribution is withheld.

Sec. 5747.77. (A) As used in this section:

(1) "Alternative fuel" means E85 blend fuel or blended biodiesel.

(2) "Biodiesel" means a mono-alkyl ester combustible liquid fuel that is derived from vegetable oils or animal fats, or any combination of those reagents that meets the American society for testing and materials specification for biodiesel fuel (B100) blend stock distillate fuels.

(3) "Blended biodiesel" means a blend of biodiesel with petroleum based diesel fuel in which the resultant product contains not less than twenty per cent biodiesel and meets the American society for testing and materials specification for blended diesel fuel.

(4) "Diesel fuel" means any liquid fuel that is capable of use in discrete form or as a blend component in the operation of engines of the diesel type.

(5) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources that meet all of the specifications in the American society for testing and materials (ASTM) specification D 4806-88 and is denatured as specified in Parts 20 and 21 of Title 27 of the Code of Federal Regulations.

(6) "E85 blend fuel" means fuel containing eighty-five per cent or more ethanol, or containing any other percentage of not less than seventy per cent ethanol if the United States department of energy determines, by rule, that the lower percentage is necessary to provide for the requirements of cold start, safety, or other vehicle functions, and that meets the American society for testing and materials specification for E85 blend fuel.

(7) "Retail dealer" means any person that is a taxpayer under this chapter that owns or operates a retail service station located in this state.

(8) "Retail service station" means a location in this state from which alternative fuel is sold to the general public and is dispensed or pumped directly into motor vehicle fuel tanks for consumption.

(B) For taxable years ending in 2008 and 2009, there is hereby allowed a nonrefundable credit against the tax imposed by section 5747.02 of the Revised Code for a retail dealer that sells alternative fuel. The credit for a dealer's taxable year ending in 2008 shall equal fifteen cents per gallon of alternative fuel sold and dispensed through a metered pump at the retail dealer's retail service station during any part of calendar year 2007 or 2008 included in that taxable year. The credit for a dealer's taxable year ending in

2009 shall equal fifteen cents per gallon of alternative fuel sold and dispensed through a metered pump at the retail dealer's retail service station during any part of calendar year 2008 included in that taxable year, plus thirteen cents per gallon of alternative fuel sold and dispensed in that manner during any part of calendar year 2009 included in that taxable year.

The credit shall be calculated separately for each retail service station owned or operated by the retail dealer. The credit allowed under this section may not be claimed for alternative fuel sold or dispensed before January 1, 2008, or on or after January 1, 2010.

(C) The retail dealer shall claim the credit under this section in the order prescribed in section 5747.98 of the Revised Code. The credit shall not exceed the amount of tax otherwise due under section 5747.02 of the Revised Code after deducting any other credits that precede the credit claimed under this section in that order.

(D) Nothing in this section limits or disallows pass-through treatment of the credit if the retail dealer is a pass-through entity. If the retail dealer is a pass-through entity, references in other divisions of this section to "taxable year" refer to the dealer's taxable year; an equity owner of the retail dealer that is a pass-through entity may claim the owner's distributive or proportionate share of the credit for the equity owner's taxable year that includes the last day of the entity's taxable year.

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

- (1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;
- (2) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;
- (3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;
- (4) The dependent care credit under section 5747.054 of the Revised Code;
- (5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;
- (6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;
- (7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;
- (8) The low-income credit under section 5747.056 of the Revised Code;

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

(10) The campaign contribution credit under section 5747.29 of the Revised Code;

(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;

(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;

(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;

(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;

(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;

(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;

(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;

(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;

(19) The job retention credit under division (B) of section 5747.058 of the Revised Code;

(20) The credit for ~~purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261~~ for selling alternative fuel under section 5747.77 of the Revised Code;

(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;

(22) The job training credit under section 5747.39 of the Revised Code;

(23) The enterprise zone credit under section 5709.66 of the Revised Code;

(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;

(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;

(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;

(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

(28) The export sales credit under section 5747.057 of the Revised

Code;

(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;

(30) The enterprise zone credits under section 5709.65 of the Revised Code;

(31) The research and development credit under section 5747.331 of the Revised Code;

(32) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

(33) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;

(34) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;

(35) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;

(36) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;

(37) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.

(B) For any credit, except the credits enumerated in divisions (A)(32) to (37) of this section and the credit granted under division (I) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

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;

(4) Section 5748.021 of the Revised Code;

(5) Section 5748.081 of the Revised Code.

(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;

(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, 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) "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, including

the combined purposes authorized by section 5705.217 of the Revised Code.

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~~

If the tax is to be levied for current expenses and permanent improvements, the resolution shall apportion the annual rate of the tax. The apportionment may be the same or different for each year the tax is levied, but the respective portions of the rate actually levied each year for current expenses and for permanent improvements shall be limited by the apportionment.

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 two consecutive weeks prior to the election, and, if the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. 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. 5748.022. A majority of the members of a board of education of a school district levying a tax under section 5748.02 of the Revised Code may adopt a resolution reducing the rate of the tax by a multiple of one-fourth of one per cent.

The resolution shall set forth the current rate of the tax, the reduced rate of tax that results from adoption of the resolution, the purpose or purposes for which the tax is levied, the remaining number of years the tax will be levied or that it is levied for a continuing period of time, and the date on which the reduced tax rate shall take effect, which shall be the ensuing first day of January occurring at least sixty days after a copy of the resolution is certified to the tax commissioner.

Sec. 5749.02. (A) For the purpose of providing revenue to administer the state's coal mining and reclamation regulatory program, to meet the environmental and resource management needs of this state, and to reclaim land affected by mining, an excise tax is hereby levied on the privilege of engaging in the severance of natural resources from the soil or water of this state. The tax shall be imposed upon the severer and shall be:

- (1) Ten cents per ton of coal;
- (2) Four cents per ton of salt;
- (3) Two cents per ton of limestone or dolomite;
- (4) Two cents per ton of sand and gravel;
- (5) Ten cents per barrel of oil;
- (6) Two and one-half cents per thousand cubic feet of natural gas;
- (7) One cent per ton of clay, sandstone or conglomerate, shale, gypsum, or quartzite;

(8) Except as otherwise provided in this division or in rules adopted by the reclamation forfeiture fund advisory board under section 1513.182 of the Revised Code, an additional fourteen cents per ton of coal produced from an area under a coal mining and reclamation permit issued under Chapter 1513. of the Revised Code for which the performance security is provided under division (C)(2) of section 1513.08 of the Revised Code. ~~¶~~ Beginning July 1, 2007, if at the end of a fiscal biennium the balance of the reclamation forfeiture fund created in section 1513.18 of the Revised Code is equal to or greater than ten million dollars, the rate levied shall be twelve cents per ton. ~~¶~~ Beginning July 1, 2007, if at the end of a fiscal biennium the balance of

the fund is at least five million dollars, but less than ten million dollars, the rate levied shall be fourteen cents per ton. ~~If Beginning July 1, 2007, if~~ at the end of a fiscal biennium the balance of the fund is less than five million dollars, the rate levied shall be sixteen cents per ton. ~~Not Beginning July 1, 2009, not~~ later than thirty days after the close of a fiscal biennium, the chief of the division of mineral resources management shall certify to the tax commissioner the amount of the balance of the reclamation forfeiture fund as of the close of the fiscal biennium. Any necessary adjustment of the rate levied shall take effect on the first day of the following January and shall remain in effect during the calendar biennium that begins on that date.

(9) An additional one and two-tenths cents per ton of coal mined by surface mining methods.

(B) Of the moneys received by the treasurer of state from the tax levied in division (A)(1) of this section, four and seventy-six-hundredths per cent shall be credited to the geological mapping fund created in section 1505.09 of the Revised Code, eighty and ninety-five-hundredths per cent shall be credited to the coal mining administration and reclamation reserve fund created in section 1513.181 of the Revised Code, and fourteen and twenty-nine-hundredths per cent shall be credited to the unreclaimed lands fund created in section 1513.30 of the Revised Code.

Fifteen per cent of the moneys received by the treasurer of state from the tax levied in division (A)(2) of this section shall be credited to the geological mapping fund and the remainder shall be credited to the unreclaimed lands fund.

Of the moneys received by the treasurer of state from the tax levied in divisions (A)(3) and (4) of this section, seven and five-tenths per cent shall be credited to the geological mapping fund, forty-two and five-tenths per cent shall be credited to the unreclaimed lands fund, and the remainder shall be credited to the surface mining fund created in section 1514.06 of the Revised Code.

Of the moneys received by the treasurer of state from the tax levied in divisions (A)(5) and (6) of this section, ninety per cent shall be credited to the oil and gas well fund created in section 1509.02 of the Revised Code and ten per cent shall be credited to the geological mapping fund. All of the moneys received by the treasurer of state from the tax levied in division (A)(7) of this section shall be credited to the surface mining fund.

All of the moneys received by the treasurer of state from the tax levied in division (A)(8) of this section shall be credited to the reclamation forfeiture fund.

All of the moneys received by the treasurer of state from the tax levied

in division (A)(9) of this section shall be credited to the unreclaimed lands fund.

(C) When, at the close of any fiscal year, the chief finds that the balance of the reclamation forfeiture fund, plus estimated transfers to it from the coal mining administration and reclamation reserve fund under section 1513.181 of the Revised Code, plus the estimated revenues from the tax levied by division (A)(8) of this section for the remainder of the calendar year that includes the close of the fiscal year, are sufficient to complete the reclamation of lands for which the performance security has been provided under division (C)(2) of section 1513.08 of the Revised Code, the purposes for which the tax under division (A)(8) of this section is levied shall be deemed accomplished at the end of that calendar year. The chief, within thirty days after the close of the fiscal year, shall certify those findings to the tax commissioner, and the tax levied under division (A)(8) of this section shall cease to be imposed after the last day of that calendar year on coal produced under a coal mining and reclamation permit issued under Chapter 1513. of the Revised Code if the permittee has made tax payments under division (A)(8) of this section during each of the preceding five full calendar years. Not later than thirty days after the close of a fiscal year, the chief shall certify to the tax commissioner the identity of any permittees who accordingly no longer are required to pay the tax levied under division (A)(8) of this section.

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" for a school district means the sum of state aid amounts computed for the district under division (A) of section 3317.022 of the Revised Code, including the amounts calculated under sections 3317.029 and 3317.0217 of the Revised Code; divisions (C)(1), (C)(4), (D), (E), and (F) of section 3317.022; divisions (B), (C), and (D) of section 3317.023; divisions (L) and (N) of section 3317.024; section 3317.0216; and any unit payments for gifted student services paid under sections 3317.05, 3317.052, and 3317.053 of the Revised Code; except that, for fiscal years 2008 and 2009, the amount computed for the district under Section 269.20.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be substituted for the amount computed under division (D) of section 3317.022 of the Revised Code, and the amount computed under

Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(3) "State education aid" for a joint vocational school district means the sum of the state aid computed for the district under division (N) of section 3317.024 and section 3317.16 of the Revised Code, except that, for fiscal years 2008 and 2009, the amount computed under Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(4) "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)~~(5) "Machinery and equipment property tax value loss" means the amount determined under division (C)(1) of this section.

~~(4)~~(6) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.

~~(5)~~(7) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.

~~(6)~~(8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.

~~(7)~~(9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.

~~(8)~~(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.

~~(9)~~(11) "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)~~(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.

~~(11)~~(13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.

~~(12)~~(14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.

~~(13)~~(15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.

~~(14)~~(16) "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. 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)~~(17) "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)~~(18) "Telephone property tax value loss" means the amount determined under division (C)(4) of this section.

~~(17)~~(19) "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 <u>10.6</u> %	70.0%	10.6 <u>19.4</u> %
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	100% <u>30</u> %	0% <u>70</u> %	0%

thereafter

(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 fixed-rate levy losses under divisions (D)(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 (D)(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. For the purpose of the calculations in division (A) of section 5751.21 of the Revised Code, the tax year 2004 taxable values shall be used.

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 in the case of school district emergency levies and for all years after 2010 in the case of other fixed-sum levies, 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~~ fifteenth day of July of 2007 through 2017, the department of education shall consult with the director of budget and management and 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~~ fifteenth 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~~ fifteenth 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~~ twentieth day of ~~August~~ July of each such year, the department of education and the director of budget and management shall ~~certify~~ agree upon the amount ~~so to be~~ 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 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 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~~ forty-three per cent 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, and 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~~ forty-three per cent, 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 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 determined 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 determined 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 determined 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 determined for that fiscal year under division (A)(1) of this section ~~or the balance in the school district tangible property tax replacement fund.~~

If, when a transfer is required under division (E)(1), (2), (3), or (4) of this section, there is not sufficient money in the school district tangible property tax replacement fund to make the transfer in the required amount, the director shall transfer the balance in the fund to the general revenue fund and may make additional transfers on later dates as determined by the

director in a total amount that does not exceed one-fourth of the amount determined for the fiscal year.

(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), 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)(1) 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.

(2) In each fiscal year beginning with fiscal year 2019, all amounts credited to the school district tangible personal property tax replacement fund shall be appropriated 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 tax value losses and 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. For each of the first five years after the property is transferred, but not after fiscal year 2012, if the tax rate in the recipient district is less than the tax rate of the district from which the land was transferred, one-half of the payments arising from the amount of fixed-rate levy losses so transferred to the recipient district shall be paid to the recipient district and one-half of the payments arising from the fixed-rate levy losses so transferred shall be paid to the district from which the land was transferred. Fixed-rate levy losses so transferred shall be computed on the basis of the sum of the rates of fixed-rate qualifying levies of the district from which the land was transferred, notwithstanding division (D) of this section.

(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. 5751.23. (A) As used in this section:

(1) "Administrative fees" means the dollar percentages allowed by the county auditor for services or by the county treasurer as fees, or paid to the credit of the real estate assessment fund, under divisions (A) and ~~(B)~~(C) of section 319.54 and division (A) of section 321.26 of the Revised Code.

(2) "Administrative fee loss" means a county's loss of administrative fees due to its tax value loss, determined as follows:

(a) For purposes of the determination made under division (B) of this section in the years 2006 through 2010, the administrative fee loss shall be computed by multiplying the amounts determined for all taxing districts in

the county under divisions (D) and (E) of section 5751.20 of the Revised Code by nine thousand six hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 2004 exceeded one hundred fifty million dollars, or one and one thousand one hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 2004 were one hundred fifty million dollars or less;

(b) For purposes of the determination under division (B) of this section in the years after 2010, the administrative fee losses shall be determined by multiplying the administrative fee losses calculated for 2010 by the fractions in divisions (A)(1)(b) to (i) of section 5751.22 of the Revised Code.

(3) "Total taxes collected" means all money collected on any tax duplicate of the county, other than the estate tax duplicates. "Total taxes collected" does not include amounts received pursuant to divisions (F) and (G) of section 321.24 or section 323.156 of the Revised Code.

(B) Not later than December 31, 2005, the tax commissioner shall certify to each county auditor the tax levy losses calculated under divisions (D) and (E) of section 5751.20 of the Revised Code for each school district, joint vocational school district, and local taxing unit in the county. Not later than the thirty-first day of January of 2006 through 2017, the county auditor shall determine the administrative fee loss for the county and apportion that loss ratably among the school districts, joint vocational school districts, and local taxing units on the basis of the tax levy losses certified under this division.

(C) On or before each of the days prescribed for the settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through 2017, the county treasurer shall deduct one-half of the amount apportioned to each school district, joint vocational school district, and local taxing unit from the portions of revenue payable to them.

(D) On or before each of the days prescribed for settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through 2017, the county auditor shall cause to be deposited an amount equal to one-half of the amount of the administrative fee loss in the same funds as if allowed as administrative fees.

Sec. 5907.15. There is hereby created in the state treasury the Ohio veterans' homes rental; and service; ~~and medicare reimbursement~~ fund. Revenue generated from temporary use agreements of a veterans' home, from the sale of meals at a home's dining halls, and from rental, lease, or sharing agreements for the use of facilities, supplies, equipment, utilities, or services provided by a home; ~~and from medicare reimbursements~~ shall be credited to the fund. The fund shall be used ~~only~~ for maintenance costs of

the homes and for the purchase of medications, medication services, medical supplies, and medical equipment by the homes.

Sec. 5907.16. There is hereby created in the state treasury the medicare services fund. Revenue from federal reimbursement of medicare services that were provided at state veterans' homes shall be credited to the fund. The fund shall be used for paying the operating costs of the state veterans' homes.

Sec. 6109.21. (A) Except as provided in divisions (D) and (E) of this section, on and after January 1, 1994, no person shall operate or maintain a public water system in this state without a license issued by the director of environmental protection. A person who operates or maintains a public water system on January 1, 1994, shall obtain an initial license under this section in accordance with the following schedule:

(1) If the public water system is a community water system, not later than January 31, 1994;

(2) If the public water system is not a community water system and serves a nontransient population, not later than January 31, 1994;

(3) If the public water system is not a community water system and serves a transient population, not later than January 31, 1995.

A person proposing to operate or maintain a new public water system after January 1, 1994, in addition to complying with section 6109.07 of the Revised Code and rules adopted under it, shall submit an application for an initial license under this section to the director prior to commencing operation of the system.

A license or license renewal issued under this section shall be renewed annually. Such a license or license renewal shall expire on the thirtieth day of January in the year following its issuance. A license holder that proposes to continue operating the public water system for which the license or license renewal was issued shall apply for a license renewal at least thirty days prior to that expiration date.

The director shall adopt, and may amend and rescind, rules in accordance with Chapter 119. of the Revised Code establishing procedures governing and information to be included on applications for licenses and license renewals under this section. Through June 30, ~~2008~~ 2010, each application shall be accompanied by the appropriate fee established under division (M) of section 3745.11 of the Revised Code, provided that an applicant for an initial license who is proposing to operate or maintain a new public water system after January 1, 1994, shall submit a fee that equals a prorated amount of the appropriate fee established under that division for the remainder of the licensing year.

(B) Not later than thirty days after receiving a completed application and the appropriate license fee for an initial license under division (A) of this section, the director shall issue the license for the public water system. Not later than thirty days after receiving a completed application and the appropriate license fee for a license renewal under division (A) of this section, the director shall do one of the following:

- (1) Issue the license renewal for the public water system;
- (2) Issue the license renewal subject to terms and conditions that the director determines are necessary to ensure compliance with this chapter and rules adopted under it;
- (3) Deny the license renewal if the director finds that the public water system was not operated in substantial compliance with this chapter and rules adopted under it.

(C) The director may suspend or revoke a license or license renewal issued under this section if the director finds that the public water system was not operated in substantial compliance with this chapter and rules adopted under it. The director shall adopt, and may amend and rescind, rules in accordance with Chapter 119. of the Revised Code governing such suspensions and revocations.

(D)(1) As used in division (D) of this section, "church" means a fellowship of believers, congregation, society, corporation, convention, or association that is formed primarily or exclusively for religious purposes and that is not formed or operated for the private profit of any person.

(2) This section does not apply to a church that operates or maintains a public water system solely to provide water for that church or for a campground that is owned by the church and operated primarily or exclusively for members of the church and their families. A church that, on or before March 5, 1996, has obtained a license under this section for such a public water system need not obtain a license renewal under this section.

(E) This section does not apply to any public or nonpublic school that meets minimum standards of the state board of education that operates or maintains a public water system solely to provide water for that school.

Sec. 6111.0381. There is hereby created in the state treasury the water quality protection fund. The fund shall consist of federal grants, including grants made pursuant to the Federal Water Pollution Control Act, and contributions made to the environmental protection agency for water quality protection and restoration. The director of environmental protection shall use money in the fund for water quality protection and restoration.

Sec. 6111.04. (A) Both of the following apply except as otherwise provided in division (A) or (F) of this section:

(1) No person shall cause pollution or place or cause to be placed any sewage, sludge, sludge materials, industrial waste, or other wastes in a location where they cause pollution of any waters of the state.

(2) Such an action prohibited under division (A)(1) of this section is hereby declared to be a public nuisance.

Divisions (A)(1) and (2) of this section do not apply if the person causing pollution or placing or causing to be placed wastes in a location in which they cause pollution of any waters of the state holds a valid, unexpired permit, or renewal of a permit, governing the causing or placement as provided in sections 6111.01 to 6111.08 of the Revised Code or if the person's application for renewal of such a permit is pending.

(B) If the director of environmental protection administers a sludge management program pursuant to division (S) of section 6111.03 of the Revised Code, both of the following apply except as otherwise provided in division (B) or (F) of this section:

(1) No person, in the course of sludge management, shall place on land located in the state or release into the air of the state any sludge or sludge materials.

(2) An action prohibited under division (B)(1) of this section is hereby declared to be a public nuisance.

Divisions (B)(1) and (2) of this section do not apply if the person placing or releasing the sludge or sludge materials holds a valid, unexpired permit, or renewal of a permit, governing the placement or release as provided in sections 6111.01 to 6111.08 of the Revised Code or if the person's application for renewal of such a permit is pending.

(C) No person to whom a permit has been issued shall place or discharge, or cause to be placed or discharged, in any waters of the state any sewage, sludge, sludge materials, industrial waste, or other wastes in excess of the permissive discharges specified under an existing permit without first receiving a permit from the director to do so.

(D) No person to whom a sludge management permit has been issued shall place on the land or release into the air of the state any sludge or sludge materials in excess of the permissive amounts specified under the existing sludge management permit without first receiving a modification of the existing sludge management permit or a new sludge management permit to do so from the director.

(E) The director may require the submission of plans, specifications, and other information that the director considers relevant in connection with the issuance of permits.

(F) This section does not apply to any of the following:

(1) Waters used in washing sand, gravel, other aggregates, or mineral products when the washing and the ultimate disposal of the water used in the washing, including any sewage, industrial waste, or other wastes contained in the waters, are entirely confined to the land under the control of the person engaged in the recovery and processing of the sand, gravel, other aggregates, or mineral products and do not result in the pollution of waters of the state;

(2) Water, gas, or other material injected into a well to facilitate, or that is incidental to, the production of oil, gas, artificial brine, or water derived in association with oil or gas production and disposed of in a well, in compliance with a permit issued under Chapter 1509. of the Revised Code, or sewage, industrial waste, or other wastes injected into a well in compliance with an injection well operating permit. Division (F)(2) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, regulation of the United States environmental protection agency.

(3) Application of any materials to land for agricultural purposes or runoff of the materials from that application or pollution by animal waste or soil sediment, including attached substances, resulting from farming, silvicultural, or earthmoving activities regulated by Chapter 307. or 1511. of the Revised Code. Division (F)(3) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, the Federal Water Pollution Control Act or regulations adopted under it.

(4) The excrement of domestic and farm animals defecated on land or runoff therefrom into any waters of the state. Division (F)(4) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, the Federal Water Pollution Control Act or regulations adopted under it.

(5) On and after the date on which the United States environmental protection agency approves the NPDES program submitted by the director of agriculture under section 903.08 of the Revised Code, any discharge that is within the scope of the approved NPDES program submitted by the director of agriculture;

(6) The discharge of sewage, industrial waste, or other wastes into a sewerage system tributary to a treatment works. Division (F)(6) of this section does not authorize any discharge into a publicly owned treatment works in violation of a pretreatment program applicable to the publicly owned treatment works.

(7) ~~A household sewage treatment system or a small flow on-site~~

~~sewage treatment system, as applicable, as defined in section 3718.01 of the Revised Code that is installed~~ Septic tanks or other disposal systems for the disposal or treatment of sewage from single-family, two-family, or three-family dwellings in compliance with ~~Chapter 3718. the sanitary code and section 3707.01~~ of the Revised Code ~~and rules adopted under it.~~ Division (F)(7) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, regulation of the United States environmental protection agency.

(8) Exceptional quality sludge generated outside of this state and contained in bags or other containers not greater than one hundred pounds in capacity. As used in division (F)(8) of this section, "exceptional quality sludge" has the same meaning as in division (Y) of section 3745.11 of the Revised Code.

(G) The holder of a permit issued under section 402 (a) of the Federal Water Pollution Control Act need not obtain a permit for a discharge authorized by the permit until its expiration date. Except as otherwise provided in this division, the director of environmental protection shall administer and enforce those permits within this state and may modify their terms and conditions in accordance with division (J) of section 6111.03 of the Revised Code. On and after the date on which the United States environmental protection agency approves the NPDES program submitted by the director of agriculture under section 903.08 of the Revised Code, the director of agriculture shall administer and enforce those permits within this state that are issued for any discharge that is within the scope of the approved NPDES program submitted by the director of agriculture.

Sec. 6111.44. (A) Except as otherwise provided in division (B) of this section, in section 6111.14 of the Revised Code, or in rules adopted under division (G) of section 6111.03 of the Revised Code, no municipal corporation, county, public institution, corporation, or officer or employee thereof or other person shall provide or install sewerage or treatment works for sewage, sludge, or sludge materials disposal or treatment or make a change in any sewerage or treatment works until the plans therefor have been submitted to and approved by the director of environmental protection. Sections 6111.44 to 6111.46 of the Revised Code apply to sewerage and treatment works of a municipal corporation or part thereof, an unincorporated community, a county sewer district, or other land outside of a municipal corporation or any publicly or privately owned building or group of buildings or place, used for the assemblage, entertainment, recreation, education, correction, hospitalization, housing, or employment of persons.

In granting an approval, the director may stipulate modifications, conditions, and rules that the public health and prevention of pollution may require. Any action taken by the director shall be a matter of public record and shall be entered in the director's journal. Each period of thirty days that a violation of this section continues, after a conviction for the violation, constitutes a separate offense.

(B) Sections 6111.45 and 6111.46 of the Revised Code and division (A) of this section do not apply to any of the following:

(1) Sewerage or treatment works for sewage installed or to be installed for the use of a private residence or dwelling;

(2) Sewerage systems, treatment works, or disposal systems for storm water from an animal feeding facility or manure, as "animal feeding facility" and "manure" are defined in section 903.01 of the Revised Code;

(3) Animal waste treatment or disposal works and related management and conservation practices that are subject to rules adopted under division (E)(2) of section 1511.02 of the Revised Code;

~~(4) Sewerage or treatment works for the on-lot disposal or treatment of sewage from a small flow on-site sewage treatment system, as defined in section 3718.01 of the Revised Code, if the board of health of a city or general health district has notified the director of health and the director of environmental protection under section 3718.021 of the Revised Code that the board has chosen to regulate the system, provided that the board remains in compliance with the rules adopted under division (A)(13) of section 3718.02 of the Revised Code.~~

The exclusions established in divisions (B)(2) and (3) of this section do not apply to the construction or installation of disposal systems, as defined in section 6111.01 of the Revised Code, that are located at an animal feeding facility and that store, treat, or discharge wastewaters that do not include storm water or manure or that discharge to a publicly owned treatment works.

Sec. 6119.06. Upon the declaration of the court of common pleas organizing the regional water and sewer district pursuant to section 6119.04 of the Revised Code and upon the qualifying of its board of trustees and the election of a president and a secretary, said district shall exercise in its own name all the rights, powers, and duties vested in it by Chapter 6119. of the Revised Code, and, subject to such reservations, limitations and qualifications as are set forth in this Chapter, such district may:

(A) Adopt bylaws for the regulation of its affairs, the conduct of its business, and notice of its actions;

(B) Adopt an official seal;

(C) Maintain a principal office and suboffices at such places within the district as it designates;

(D) Sue and plead in its own name; be sued and impleaded in its own name with respect to its contracts or torts of its members, employees, or agents acting within the scope of their employment, or to enforce its obligations and covenants made under sections 6119.09, 6119.12, and 6119.14 of the Revised Code. Any such actions against the district shall be brought in the court of common pleas of the county in which the principal office of the district is located, or in the court of common pleas of the county in which the cause of action arose, and all summonses, exceptions, and notices of every kind shall be served on the district by leaving a copy thereof at the principal office with the person in charge thereof or with the secretary of the district;

(E) Assume any liability or obligation of any person or political subdivision, including a right on the part of such district to indemnify and save harmless the other contracting party from any loss, cost, or liability by reason of the failure, refusal, neglect, or omission of such district to perform any agreement assumed by it or to act or discharge any such obligation;

(F) Make loans and grants to political subdivisions for the acquisition or construction of water resource projects by such political subdivisions and adopt rules, regulations, and procedures for making such loans and grants;

(G) Acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, lease or rent to or from, or contract for operation by or for, a political subdivision or person, water resource projects within or without the district;

(H) Make available the use or service of any water resource project to one or more persons, one or more political subdivisions, or any combination thereof;

(I) Levy and collect taxes and special assessments;

(J) Issue bonds and notes and refunding bonds and notes as provided in Chapter 6119. of the Revised Code;

(K) Acquire by gift or purchase, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under Chapter 6119. of the Revised Code;

(L) Dispose of, by public or private sale, or lease any real or personal property determined by the board of trustees to be no longer necessary or needed for the operation or purposes of the district;

(M) Acquire, in the name of the district, by purchase or otherwise, on such terms and in such manner as it considers proper, or by the exercise of the right of condemnation in the manner provided by section 6119.11 of the

Revised Code, such public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements, and interests as it considers necessary for carrying out Chapter 6119. of the Revised Code, but excluding the acquisition by the exercise of the right of condemnation of any waste water facility or water management facility owned by any person or political subdivision, and compensation shall be paid for public or private lands so taken;

(N) Adopt rules and regulations to protect augmented flow by the district in waters of the state, to the extent augmented by a water resource project, from depletion so it will be available for beneficial use, to provide standards for the withdrawal from waters of the state of the augmented flow created by a water resource project which is not returned to the waters of the state so augmented, and to establish reasonable charges therefor, if considered necessary by the district;

(O) Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under Chapter 6119. of the Revised Code;

(P) Enter into contracts with any person or any political subdivision to render services to such contracting party for any service the district is authorized to provide;

(Q) Enter into agreements for grants or the receipt and repayment of loans from a board of township trustees under section 505.705 of the Revised Code;

(R) Make provision for, contract for, or sell any of its by-products or waste;

~~(R)~~(S) Exercise the power of eminent domain in the manner provided in Chapter 6119. of the Revised Code;

~~(S)~~(T) Remove or change the location of any fence, building, railroad, canal, or other structure or improvement located in or out of the district, and in case it is not feasible or economical to move any such building, structure, or improvement situated in or upon lands required, and if the cost is determined by the board to be less than that of purchase or condemnation, to acquire land and construct, acquire, or install therein or thereon buildings, structures, or improvements similar in purpose, to be exchanged for such buildings, structures, or improvements under contracts entered into between the owner thereof and the district;

~~(T)~~(U) Receive and accept, from any federal or state agency, grants for or in aid of the construction of any water resource project, and receive and accept aid or contributions from any source of money, property, labor, or

other things of value, to be held, used, and applied only for the purposes for which such grants and contributions are made;

~~(U)~~(V) Purchase fire and extended coverage and liability insurance for any water resource project and for the principal office and suboffices of the district, insurance protecting the district and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the district may agree to provide under any resolution authorizing its water resource revenue bonds or in any trust agreement securing the same;

~~(V)~~(W) Charge, alter, and collect rentals and other charges for the use of services of any water resource project as provided in section 6119.09 of the Revised Code. Such district may refuse the services of any of its projects if any of such rentals or other charges, including penalties for late payment, are not paid by the user thereof, and, if such rentals or other charges are not paid when due and upon certification of nonpayment to the county auditor, such rentals or other charges constitute a lien upon the property so served, shall be placed by ~~him~~ the auditor upon the real property tax list and duplicate, and shall be collected in the same manner as other taxes;

~~(W)~~(X) Provide coverage for its employees under Chapters 145., 4123., and 4141. of the Revised Code;

~~(X)~~(Y) Merge or combine with any other regional water and sewer district into a single district, which shall be one of the constituent districts, on terms so that the surviving district shall be possessed of all rights, capacity, privileges, powers, franchises, and authority of the constituent districts and shall be subject to all the liabilities, obligations, and duties of each of the constituent districts and all rights of creditors of such constituent districts shall be preserved unimpaired, limited in lien to the property affected by such liens immediately prior to the time of the merger and all debts, liabilities, and duties of the respective constituent districts shall thereafter attach to the surviving district and may be enforced against it, and such other terms as are agreed upon, provided two-thirds of the members of each of the boards consent to such merger or combination. Such merger or combination shall become legally effective unless, prior to the ninetieth day following the later of the consents, qualified electors residing in either district equal in number to a majority of the qualified electors voting at the last general election in such district file with the secretary of the board of trustees of their regional water and sewer district a petition of remonstrance against such merger or combination. The secretary shall cause the board of elections of the proper county or counties to check the sufficiency of the signatures on such petition.

~~(Y)~~(Z) Exercise the powers of the district without obtaining the consent of any other political subdivision, provided that all public or private property damaged or destroyed in carrying out the powers of the district shall be restored or repaired and placed in its original condition as nearly as practicable or adequate compensation made therefor by the district;

~~(Z)~~(AA) Require the owner of any premises located within the district to connect ~~his~~ the owner's premises to a water resource project determined to be accessible to such premises and found to require such connection so as to prevent or abate pollution or protect the health and property of persons in the district. Such connection shall be made in accordance with procedures established by the board of trustees of such district and pursuant to such orders as the board may find necessary to ensure and enforce compliance with such procedures;.

~~(AA)~~(BB) Do all acts necessary or proper to carry out the powers granted in Chapter 6119. of the Revised Code.

Sec. 6121.04. The Ohio water development authority may do any or all of the following:

(A) Adopt bylaws for the regulation of its affairs and the conduct of its business;

(B) Adopt an official seal;

(C) Maintain a principal office and suboffices at places within the state that it designates;

(D) Sue and plead in its own name and be sued and impleaded in its own name with respect to its contracts or torts of its members, employees, or agents acting within the scope of their employment, or to enforce its obligations and covenants made under sections 6121.06, 6121.08, and 6121.13 of the Revised Code. Any such actions against the authority shall be brought in the court of common pleas of the county in which the principal office of the authority is located or in the court of common pleas of the county in which the cause of action arose, provided that the county is located within this state, and all summonses, exceptions, and notices of every kind shall be served on the authority by leaving a copy thereof at the principal office with the person in charge thereof or with the secretary-treasurer of the authority.

(E) Make loans and grants to governmental agencies for the acquisition or construction of water development projects by any such governmental agency and adopt rules and procedures for making such loans and grants;

(F) Acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, or lease or rent to, or contract for operation by, a governmental agency or person, water development projects, and establish

rules for the use of those projects;

(G) Make available the use or services of any water development project to one or more persons, one or more governmental agencies, or any combination thereof;

(H) Issue water development revenue bonds and notes and water development revenue refunding bonds of the state, payable solely from revenues as provided in section 6121.06 of the Revised Code, unless the bonds are refunded by refunding bonds, for the purpose of paying any part of the cost of one or more water development projects or parts thereof;

(I) Acquire by gift or purchase, hold, and dispose of real and personal property in the exercise of its powers and the performance of its duties under this chapter;

(J) Acquire, in the name of the state, by purchase or otherwise, on terms and in the manner that it considers proper, or by the exercise of the right of condemnation in the manner provided by section 6121.18 of the Revised Code, public or private lands, including public parks, playgrounds, or reservations, or parts thereof or rights therein, rights-of-way, property, rights, easements, and interests that it considers necessary for carrying out this chapter, but excluding the acquisition by the exercise of the right of condemnation of any waste water facility or water management facility owned by any person or governmental agency, and compensation shall be paid for public or private lands so taken, except that a government-owned waste water facility may be appropriated in accordance with section 6121.041 of the Revised Code;

(K) Adopt rules to protect augmented flow in waters of the state, to the extent augmented by a water development project, from depletion so it will be available for beneficial use, and to provide standards for the withdrawal from waters of the state of the augmented flow created by a water development project that is not returned to the waters of the state so augmented and to establish reasonable charges therefor if considered necessary by the authority;

(L) Make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of its duties and the execution of its powers under this chapter in accordance with the following requirements:

(1) When the cost under any such contract or agreement, other than compensation for personal services, involves an expenditure of more than twenty-five thousand dollars, the authority 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 Franklin county, and in other publications that the authority determines, which 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, provided that a contract or lease for the operation of a water development project constructed and owned by the authority or an agreement for cooperation in the acquisition or construction of a water development project pursuant to section 6121.13 of the Revised Code or any contract for the construction of a water development project that is to be leased by the authority to, and operated by, persons who are not governmental agencies and the cost of the project is to be amortized exclusively from rentals or other charges paid to the authority by persons who are not governmental agencies is not subject to the foregoing requirements and the authority may enter into such a contract or lease or such an agreement pursuant to negotiation and upon terms and conditions and for the period that it finds to be reasonable and proper in the circumstances and in the best interests of proper operation or of efficient acquisition or construction of the project.

(2) 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 shall meet the requirements of section 153.54 of the Revised Code.

(3) Each bid for a contract except as provided in division (L)(2) of this section shall contain the full name of every person or company interested in it and shall be accompanied by a sufficient bond or certified check on a solvent bank that if the bid is accepted, a contract will be entered into and the performance thereof secured.

(4) The authority may reject any and all bids.

(5) A bond with good and sufficient surety, approved by the authority, shall be required of every contractor awarded a contract except as provided in division (L)(2) of this section, in an amount equal to at least fifty per cent of the contract price, conditioned upon the faithful performance of the contract.

(M) Employ managers, superintendents, and other employees and retain or contract with consulting engineers, financial consultants, accounting experts, architects, attorneys, and other consultants and independent contractors that are necessary in its judgment to carry out this chapter, and fix the compensation thereof. All expenses thereof shall be payable solely from the proceeds of water development revenue bonds or notes issued under this chapter, from revenues, or from funds appropriated for that

purpose by the general assembly.

(N) Receive and accept from any federal agency, subject to the approval of the governor, grants for or in aid of the construction of any water development project or for research and development with respect to waste water or water management facilities, and receive and accept aid or contributions from any source of money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants and contributions are made;

(O) Engage in research and development with respect to waste water or water management facilities;

(P) Purchase fire and extended coverage and liability insurance for any water development project and for the principal office and suboffices of the authority, insurance protecting the authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the authority may agree to provide under any resolution authorizing its water development revenue bonds or in any trust agreement securing the same;

(Q) Charge, alter, and collect rentals and other charges for the use or services of any water development project as provided in section 6121.13 of the Revised Code;

(R) Provide coverage for its employees under Chapters 145., 4123., and 4141. of the Revised Code;

(S) Assist in the implementation and administration of the drinking water assistance fund and program created in section 6109.22 of the Revised Code and the water pollution control loan fund and program created in section 6111.036 of the Revised Code, including, without limitation, performing or providing fiscal management for the funds and investing and disbursing moneys in the funds, and enter into all necessary and appropriate agreements with the director of environmental protection for those purposes;

(T) Issue water development revenue bonds and notes of the state in principal amounts that are necessary for the purpose of raising moneys for the sole benefit of the water pollution control loan fund created in section 6111.036 of the Revised Code, including moneys to meet the requirement for providing matching moneys under division (D) of that section. The bonds and notes may be secured by appropriate trust agreements and repaid from moneys credited to the fund from payments of principal and interest on loans made from the fund, as provided in division (F) of section 6111.036 of the Revised Code.

(U) Issue water development revenue bonds and notes of the state in principal amounts that are necessary for the purpose of raising moneys for

the sole benefit of the drinking water assistance fund created in section 6109.22 of the Revised Code, including moneys to meet the requirement for providing matching moneys under divisions (B) and (F) of that section. The bonds and notes may be secured by appropriate trust agreements and repaid from moneys credited to the fund from payments of principal and interest on loans made from the fund, as provided in division (F) of section 6109.22 of the Revised Code.

(V) Make loans to and enter into agreements with boards of county commissioners for the purposes of section ~~4521.26~~ 1506.44 of the Revised Code and adopt rules establishing requirements and procedures for making the loans and entering into the agreements;

(W) Do all acts necessary or proper to carry out the powers expressly granted in this chapter.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

Sec. 6131.23. The assessments estimated in accordance with section 6131.14 of the Revised Code shall be payable in not less than two semiannual installments. At the time of the final hearing, in the order approving the levying of the assessments, the board of county commissioners shall determine how long a period of time, in semiannual installments, as taxes are paid, shall be given the owners of land benefited to pay the assessments that are made for an improvement and whether or not bonds or notes shall be issued and sold in anticipation of such payments. If bonds or notes are to be issued, the interest shall be added to the assessments. If the estimated cost of the improvement does not exceed five hundred dollars, not more than two semiannual installments, as taxes are paid, shall be given to owners of lands benefited to pay the assessments that are made for the improvement. If the estimated cost of the improvement exceeds five hundred dollars, the board may determine the number of installments in which the assessments are to be paid. If any such assessment is twenty-five dollars or less, or whenever the unpaid balance of any such assessment is twenty-five dollars or less, the same shall be paid in full, and not in installments, at the time the first or next installment would otherwise become due.

When assessments are payable in installments and county general funds are used to pay for the improvement, the assessment shall not exceed ~~ten~~ thirty semiannual installments, as computed by the county auditor pursuant to section 6131.49 of the Revised Code, and shall be payable upon completion of the contract.

When assessments are made payable in installments and bonds or notes have been sold to pay for the improvement, interest shall be added to the installments of assessments at the same rate as is drawn by the bonds or notes issued to pay for the improvements. Any owner may pay the estimated assessments on the owner's land in cash within thirty days after the final hearing without paying any interest thereon. If the legislative authority of a political subdivision chooses to pay the assessments on all parcels within the subdivision, both public and private, in one installment, it shall pass a resolution so stating and shall send the resolution, or a copy thereof, to the board of county commissioners before making the payment. The legislative authority shall pay all subsequent maintenance assessments levied under section 6137.03 of the Revised Code if it chooses to pay the construction assessments on all parcels within the subdivision.

Bonds may be sold for any repayment period that the board of county commissioners may determine proper, not to exceed ~~sixteen~~ thirty semiannual installments, except that for bonds sold by a board of county commissioners for soil and water conservation district improvements pursuant to section 1515.24 of the Revised Code, the repayment period shall not exceed thirty semiannual installments.

SECTION 101.02. That existing sections 9.821, 9.822, 9.823, 9.83, 107.12, 107.40, 109.57, 109.572, 109.93, 111.18, 117.11, 119.07, 120.33, 121.48, 121.51, 122.17, 122.171, 122.602, 122.652, 124.152, 125.04, 125.45, 125.93, 125.96, 125.97, 125.98, 126.07, 126.08, 126.16, 126.21, 126.22, 127.16, 131.44, 133.01, 133.081, 149.311, 151.08, 151.40, 156.02, 164.03, 164.08, 164.09, 166.08, 167.04, 173.04, 173.35, 173.71, 173.85, 173.86, 174.03, 174.06, 183.01, 183.021, 183.17, 183.33, 183.34, 183.35, 305.31, 307.672, 307.695, 307.98, 307.981, 308.04, 317.08, 319.202, 319.54, 322.01, 323.131, 323.151, 323.152, 323.153, 323.154, 325.31, 329.04, 329.05, 329.14, 340.03, 505.37, 505.376, 505.705, 517.08, 709.01, 711.001, 711.05, 711.10, 711.131, 718.01, 718.03, 718.13, 901.171, 1503.05, 1504.02, 1506.01, 1506.99, 1513.08, 1513.18, 1514.081, 1514.40, 1521.01, 1521.20, 1521.21, 1521.22, 1521.23, 1521.24, 1521.25, 1521.26, 1521.27, 1521.28, 1521.29, 1521.30, 1521.99, 1531.06, 1531.35, 1555.08, 1557.03, 1901.34, 2113.041, 2117.061, 2117.25, 2151.362, 2305.2341, 2744.02, 2913.40, 2921.42, 2927.023, 2935.03, 3109.04, 3109.041, 3119.022, 3119.023, 3119.05, 3119.27, 3119.29, 3119.30, 3119.32, 3125.12, 3301.011, 3301.07, 3301.0711, 3301.0714, 3301.0718, 3301.12, 3301.311, 3301.53, 3302.03, 3302.10, 3307.01, 3307.31, 3309.01, 3309.51, 3310.41, 3311.24, 3311.51, 3311.521, 3313.532, 3313.537, 3313.603, 3313.615,

3313.64, 3313.646, 3313.66, 3313.661, 3313.841, 3313.843, 3313.97,
3313.974, 3313.977, 3313.978, 3313.98, 3313.983, 3314.015, 3314.02,
3314.06, 3314.061, 3314.074, 3314.08, 3314.083, 3314.091, 3314.26,
3317.01, 3317.012, 3317.013, 3317.014, 3317.015, 3317.016, 3317.017,
3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.026,
3317.027, 3317.028, 3317.029, 3317.0216, 3317.0217, 3317.03, 3317.031,
3317.032, 3317.04, 3317.05, 3317.051, 3317.052, 3317.06, 3317.063,
3317.07, 3317.08, 3317.15, 3317.16, 3317.19, 3317.20, 3317.201, 3318.01,
3318.011, 3318.023, 3318.12, 3318.15, 3318.26, 3318.36, 3319.29,
3319.291, 3319.301, 3319.31, 3319.55, 3321.03, 3323.011, 3323.02,
3323.03, 3323.031, 3323.04, 3323.05, 3323.051, 3323.07, 3323.09,
3323.091, 3323.12, 3323.13, 3323.14, 3323.141, 3323.142, 3323.143,
3323.15, 3323.17, 3323.18, 3323.20, 3323.30, 3325.011, 3325.02, 3327.01,
3327.05, 3327.16, 3333.04, 3333.122, 3333.36, 3333.38, 3345.05, 3345.32,
3353.03, 3354.10, 3357.01, 3357.10, 3358.06, 3365.01, 3365.02, 3365.03,
3365.04, 3365.041, 3365.05, 3365.07, 3365.09, 3365.11, 3381.04, 3501.01,
3501.05, 3501.11, 3501.17, 3501.31, 3505.062, 3505.063, 3505.23, 3509.08,
3513.21, 3517.093, 3517.106, 3517.11, 3517.13, 3517.992, 3599.17,
3599.19, 3599.37, 3701.74, 3701.741, 3702.52, 3702.5211, 3702.5212,
3702.5213, 3702.57, 3702.63, 3702.68, 3704.03, 3705.24, 3706.01, 3706.03,
3706.041, 3706.05, 3706.07, 3718.03, 3721.51, 3721.541, 3721.56,
3727.391, 3734.57, 3735.672, 3743.17, 3743.19, 3743.25, 3743.75, 3745.04,
3745.11, 3767.41, 3769.087, 3770.03, 3770.06, 3905.36, 3923.281, 4112.12,
4112.13, 4117.06, 4141.09, 4301.20, 4301.24, 4301.43, 4303.03, 4503.06,
4503.061, 4503.064, 4503.065, 4503.066, 4503.067, 4503.10, 4503.102,
4503.35, 4505.06, 4508.10, 4513.241, 4513.263, 4513.35, 4715.251,
4717.07, 4723.32, 4723.621, 4723.63, 4723.64, 4723.65, 4723.66, 4731.053,
4731.142, 4731.22, 4735.10, 4735.141, 4736.01, 4743.05, 4755.03, 4766.05,
4775.08, 4921.40, 5101.141, 5101.16, 5101.162, 5101.21, 5101.211,
5101.212, 5101.213, 5101.24, 5101.242, 5101.244, 5101.26, 5101.27,
5101.47, 5101.50, 5101.521, 5101.571, 5101.572, 5101.58, 5101.59,
5101.802, 5101.98, 5104.04, 5104.30, 5107.02, 5107.03, 5107.05, 5107.10,
5107.12, 5107.14, 5107.16, 5107.17, 5107.18, 5107.281, 5107.30, 5107.36,
5107.41, 5107.42, 5107.70, 5111.01, 5111.013, 5111.014, 5111.016,
5111.019, 5111.0111, 5111.0112, 5111.023, 5111.03, 5111.06, 5111.084,
5111.10, 5111.101, 5111.11, 5111.112, 5111.113, 5111.163, 5111.17,
5111.172, 5111.20, 5111.851, 5111.871, 5111.872, 5111.8814, 5111.89,
5111.891, 5111.95, 5111.96, 5112.341, 5115.12, 5119.611, 5123.01,
5123.012, 5123.043, 5123.045, 5123.046, 5123.047, 5123.048, 5123.049,
5123.0411, 5123.051, 5123.19, 5123.196, 5123.198, 5123.20, 5123.211,

5123.38, 5123.41, 5123.51, 5123.60, 5123.602, 5123.99, 5126.038, 5126.04, 5126.041, 5126.042, 5126.046, 5126.05, 5126.054, 5126.055, 5126.056, 5126.057, 5126.06, 5126.12, 5126.15, 5126.18, 5126.19, 5126.25, 5126.40, 5126.42, 5126.43, 5126.45, 5126.47, 5139.43, 5323.01, 5323.02, 5323.99, 5528.54, 5531.10, 5537.04, 5537.16, 5537.99, 5703.80, 5705.01, 5705.25, 5705.29, 5705.44, 5709.68, 5711.01, 5713.011, 5725.24, 5727.06, 5727.45, 5727.81, 5727.84, 5727.85, 5727.86, 5727.87, 5733.12, 5733.39, 5733.98, 5739.02, 5739.032, 5739.033, 5739.035, 5739.09, 5739.12, 5739.122, 5739.123, 5739.21, 5741.02, 5741.03, 5741.05, 5741.121, 5743.01, 5743.20, 5743.99, 5745.02, 5745.05, 5745.13, 5747.01, 5747.03, 5747.47, 5747.50, 5747.501, 5747.51, 5747.54, 5747.98, 5748.01, 5748.02, 5749.02, 5751.20, 5751.21, 5751.23, 5907.15, 6109.21, 6111.04, 6111.44, 6119.06, 6121.04, and 6131.23 of the Revised Code are hereby repealed.

SECTION 105.01. That sections 103.141, 125.95, 183.02, 183.27, 183.32, 3318.47, 3318.48, 3318.49, 3323.01, 3323.06, 3323.08, 3323.11, 3333.29, 3704.14, 4911.021, 5111.161, 5123.16, 5123.182, 5123.199, 5126.035, 5126.036, 5126.053, 5126.431, 5126.44, 5126.451, 5743.331, 5747.61, 5747.62, and 5747.63 of the Revised Code are hereby repealed.

SECTION 105.03. That the version of section 3702.68 of the Revised Code that was to have taken effect July 1, 2007, as a result of Sections 3 to 5 of Am. Sub. S.B. 50 of the 121st General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, is hereby repealed. It is the intent of this section to prevent the amendment of section 3702.68 of the Revised Code that was to have taken effect July 1, 2007.

SECTION 115.03. That section 5101.213 of the Revised Code is hereby repealed, effective July 1, 2008.

SECTION 120.01. During the period beginning July 1, 2007, and expiring July 1, 2009, the operation of sections 3718.02, 3718.05, 3718.06, 3718.07, 3718.08, 3718.09, 3718.10, 3718.99, and 6111.441 of the Revised Code is suspended. On July 1, 2009, sections 3718.02, 3718.05, 3718.06, 3718.07, 3718.08, 3718.09, 3718.10, 3718.99, and 6111.441 of the Revised Code, in either their present form or as they are later amended, again become operational.

SECTION 120.02. (A)(1) Effective July 2, 2007, the rules adopted by the Public Health Council under section 3718.02 of the Revised Code that took effect on January 1, 2007, are not valid. Not later than July 2, 2007, the Director of Health shall adopt rules that are identical to the rules adopted by the Public Health Council that were in effect prior to January 1, 2007, and were codified in Chapter 3701-29 of the Administrative Code, except the rules in that chapter that established requirements for separation distances from a water table and soil absorption requirements.

At the same time that the Public Health Council adopts the rules required under division (A)(2) of this section, the Director shall rescind the rules adopted under this division.

The adoption and rescission of rules under this division are not subject to section 119.03 of the Revised Code. However, the Director shall file the adoption and rescission of the rules in accordance with section 119.04 of the Revised Code. Upon that filing, the adoption and rescission of the rules take immediate effect.

(2) Not later than thirty days after the effective date of this section and notwithstanding any provision of law to the contrary, the Public Health Council shall rescind rules adopted by the Council under section 3718.02 of the Revised Code, that took effect on January 1, 2007. At the same time as those rules are rescinded, the Council shall adopt rules that are identical to the rules adopted by the Council that were in effect prior to January 1, 2007, and were codified in Chapter 3701-29 of the Administrative Code, except the rules in that Chapter that established requirements for separation distances from a water table and soil absorption requirements. Instead, a board of health or the authority having the duties of a board of health shall adopt standards establishing requirements for separation distances from a water table and soil absorption requirements based on the water table and soils in the applicable health district for purposes of the installation and operation of household sewage treatment systems and small flow on-site sewage treatment systems in the applicable health district.

The rescission and adoption of rules under this division are not subject to section 119.03 of the Revised Code. However, the Public Health Council shall file the rules in accordance with section 119.04 of the Revised Code. Upon that filing, the rules take immediate effect.

(B) A local board of health or the authority having the duties of a board of health may adopt standards for use in the health district that are more stringent than the rules adopted under division (A)(1) or (2) of this section, provided that the board of health or authority having the duties of a board of

health in adopting such standards considers the economic impact of those standards on property owners, the state of available technology, and the nature and economics of the available alternatives. If a board of health or authority having the duties of a board of health adopts standards that are more stringent than the rules adopted under division (A)(1) or (2) of this section, the board or authority shall send a copy of the standards to the Department of Health.

(C)(1) A board of health or the authority having the duties of a board of health shall approve or deny the use of household sewage treatment systems and small flow on-site sewage treatment systems in the applicable health district. In approving or denying a household sewage treatment system or a small flow on-site sewage treatment system for use in the health district, the board or authority shall consider the economic impact of the system on property owners, the state of available technology, and the nature and economics of the available alternatives, ensure that a system will not create a public health nuisance, and require a system to comply with the requirements established in divisions (C)(2) and (3) of this section.

(2) Notwithstanding any rule adopted by the Director of Health or the Public Health Council or standard adopted by a board of health or the authority having the duties of a board of health governing the installation and operation of sewage treatment systems, a board of health or the authority having the duties of a board of health shall ensure that the design and installation of a soil absorption system prevents public health nuisances. To the extent determined necessary by a board of health or the authority having the duties of a board of health, a sewage treatment system that is installed after the effective date of this section shall not discharge to a ditch, stream, pond, lake, natural or artificial waterway, drain tile, other surface water, or the surface of the ground unless authorized by a national pollutant discharge elimination system (NPDES) permit issued under Chapter 6111. of the Revised Code and rules adopted under it. In addition, a sewage treatment system shall not discharge to an abandoned well, a drainage well, a dry well or cesspool, a sinkhole, or another connection to ground water. As a condition to the issuance of a permit to operate a system, a board of health or the authority having the duties of a board of health shall require a service contract for any sewage treatment system that is subject to an NPDES permit to the extent required by the Environmental Protection Agency. If classified as a class V injection well, a household sewage treatment system serving a two- or three-family dwelling or a small flow on-site sewage treatment system shall comply with 40 C.F.R. 144, as published in the July 1, 2005, Code of Federal Regulations and with the

registration requirements established in rule 3745-34-13 of the Administrative Code.

(3) Notwithstanding any rule adopted by the Director of Health or the Public Health Council or standard adopted by a board of health or the authority having the duties of a board of health governing the installation and operation of household sewage treatment systems, all septic tanks, other disposal component tanks, dosing tanks, pump vaults, household sewage disposal system holding tanks and privy vaults, or other applicable sewage disposal system components manufactured after the effective date of this section and used in this state shall be watertight and structurally sound.

(4) For purposes of division (C) of this section, "economic impact" means all of the following with respect to the approval or denial of a household sewage treatment system or small flow on-site sewage treatment system, as applicable:

(a) The cost of a proposed system;

(b) The cost of an alternative system that will not create a public health nuisance;

(c) A comparison of the costs of repairing a system as opposed to replacing the system with a new system;

(d) The value of the dwelling or facility, as applicable, that the system services as indicated in the most recent tax duplicate.

(D)(1) Notwithstanding any rule adopted by the Director of Health or the Public Health Council governing the installation and operation of household sewage treatment systems, a board of health or the authority having the duties of a board of health may establish and collect fees for the purposes of this section.

(2) In addition to the fees that are authorized to be established under division (D)(1) of this section, there is hereby levied an application fee of twenty-five dollars for a sewage treatment system installation permit. A board of health or the authority having the duties of a board of health shall collect the fee on behalf of the Department of Health and forward the fee to the Department to be deposited in the state treasury to the credit of the Sewage Treatment System Innovation Fund, which is hereby created. Not more than seventy-five per cent of the money in the Fund shall be used by the Department to administer the sewage treatment system program, and not less than twenty-five per cent of the money in the Fund shall be used to establish a grant program in cooperation with boards of health to fund the installation and evaluation of new technology pilot projects. In the selection of the pilot projects, the Director of Health shall consult with the Sewage Treatment System Technical Advisory Committee created in section

3718.03 of the Revised Code.

(E) Not later than one year after the installation of a household sewage treatment system, a board of health or the authority having the duties of a board of health shall inspect the system to ensure that it is not a public health nuisance.

(F) The Department of Health may file an injunctive action against a board of health or the authority having the duties of a board of health that allows a household sewage treatment system or small flow on-site sewage treatment system to cause a public health nuisance, provided that the Department provides reasonable notice to the board or authority and allows for the opportunity to abate the nuisance prior to the action.

(G) The Environmental Protection Agency shall not require a board of health or the authority having the duties of a board of health to enter into a memorandum of understanding or any other agreement with the Agency regarding the issuance of NPDES permits for off-lot sewage treatment systems. Instead, a representative of a board of health or the authority having the duties of a board of health may meet with a person who intends to install such a system to determine the feasibility of the system and refer the person to the Agency to secure an NPDES permit for the system if needed. The Environmental Protection Agency, within ninety days or as quickly as possible after the effective date of this section, shall seek a revision to the general NPDES permit, issued pursuant to the federal Water Pollution Control Act as defined in section 6111.01 of the Revised Code, in order not to require a memorandum of understanding with a board of health or the authority having the duties of a board of health and that allows a property owner to seek coverage under the general NPDES permit for purposes of this division. A board of health or the authority having the duties of a board of health voluntarily may enter into a memorandum of understanding with the Environmental Protection Agency to implement the general NPDES permit. In the interim, the Agency shall work with boards of health or authorities having the duties of boards of health and with property owners in order to facilitate the owners' securing an NPDES permit in counties without a memorandum of understanding.

(H) Notwithstanding any rule adopted by the Director of Health or the Public Health Council governing the installation and operation of household sewage treatment systems, a board of health or the authority having the duties of a board of health that, prior to the effective date of this section, has obtained authority from the Department of Health and the Environmental Protection Agency to regulate small flow on-site sewage treatment systems may continue to regulate such systems on and after the effective date of this

section. A board of health or the authority having the duties of a board of health that has not obtained such authority may request the authority from the Department of Health and the Environmental Protection Agency in the manner provided by law.

(I) Because the rules adopted by the Public Health Council under section 3718.02 of the Revised Code that were effective on January 1, 2007, have been rescinded by operation of this section, the references to those rules in section 3718.021 of the Revised Code are not operable. Instead, notwithstanding any other provisions of this section, the Director of Health or the Public Health Council, as applicable, shall provide for the implementation of section 3718.021 of the Revised Code in the rules that are required to be adopted under division (A) of this section.

(J) The Department of Health in cooperation with a board of health or the authority having the duties of a board of health shall assess the familiarity of the board's or authority's staff with the best practices in the use of sewage treatment systems and conduct appropriate training to educate the board's or authority's staff in those best practices and in the use of any new sewage treatment system technology that is recommended for use by the Sewage Treatment System Technical Advisory Committee created in section 3718.03 of the Revised Code.

(K)(1) As used in this section, "household sewage treatment system," "small flow on-site sewage treatment system," and "sewage treatment system" have the same meanings as in section 3718.01 of the Revised Code.

(2) For the purposes of this section, "household sewage treatment system" is deemed to mean "household sewage disposal system" as necessary for the operation of this section.

(3) For purposes of this section, a public health nuisance shall be deemed to exist when an inspection conducted by a board of health documents odor, color, or other visual manifestations of raw or poorly treated sewage and either of the following applies:

(a) Water samples exceed five thousand fecal coliform counts per one hundred milliliters (either MPN or MF) in two or more samples when five or fewer samples are collected or in more than twenty per cent of the samples when more than five samples are taken.

(b) Water samples exceed five hundred seventy-six E. Coli counts per one hundred milliliters in two or more samples when five or fewer samples are collected or in more than twenty per cent of the samples when more than five samples are taken.

(L) Neither the Director of Health or the Public Health Council shall adopt rules prior to July 1, 2009, that modify or change the requirements

established by this section.

(M) This section expires on the effective date of the rules that are to be adopted under section 3718.02 of the Revised Code when that section becomes operational on July 1, 2009, pursuant to Section 120.01 of this act.

SECTION 120.03. That sections 711.001, 711.05, 711.10, 711.131, 4736.01, 6111.04, and 6111.44 be further amended and section 3718.022 of the Revised Code be enacted to read as follows:

Sec. 711.001. As used in this chapter:

(A) "Plat" means a map of a tract or parcel of land.

(B) "Subdivision" means either of the following:

(1) The division of any parcel of land shown as a unit or as contiguous units on the last preceding general tax list and duplicate of real and public utility property, into two or more parcels, sites, or lots, any one of which is less than five acres for the purpose, whether immediate or future, of transfer of ownership, provided, however, that the following are exempt:

(a) A division or partition of land into parcels of more than five acres not involving any new streets or easements of access;

(b) The sale or exchange of parcels between adjoining lot owners, where that sale or exchange does not create additional building sites;

(c) If the planning authority adopts a rule in accordance with section 711.133 of the Revised Code that exempts from division (B)(1) of this section any parcel of land that is four acres or more, parcels in the size range delineated in that rule.

(2) The improvement of one or more parcels of land for residential, commercial, or industrial structures or groups of structures involving the division or allocation of land for the opening, widening, or extension of any public or private street or streets, except private streets serving industrial structures, or involving the division or allocation of land as open spaces for common use by owners, occupants, or leaseholders or as easements for the extension and maintenance of public or private sewer, water, storm drainage, or other similar facilities.

~~(C) "Household sewage treatment system" has the same meaning as in section 3709.091 of the Revised Code.~~

Sec. 711.05. (A) Upon the submission of a plat for approval, in accordance with section 711.041 of the Revised Code, the board of county commissioners shall certify on it the date of the submission. Within five days of submission of the plat, the board shall schedule a meeting to consider the plat and send a written notice by regular mail to the fiscal officer of the board of township trustees of the township in which the plat is

located and the board of health of the health district in which the plat is located. The notice shall inform the trustees and the board of health of the submission of the plat and of the date, time, and location of any meeting at which the board of county commissioners will consider or act upon the proposed plat. The meeting shall take place within thirty days of submission of the plat, and no meeting shall be held until at least seven days have passed from the date the notice was sent by the board of county commissioners. The approval of the board required by section 711.041 of the Revised Code or the refusal to approve shall take place within thirty days from the date of submission or such further time as the applying party may agree to in writing; otherwise, the plat is deemed approved and may be recorded as if bearing such approval.

(B) The board may adopt general rules governing plats and subdivisions of land falling within its jurisdiction, to secure and provide for the coordination of the streets within the subdivision with existing streets and roads or with existing county highways, for the proper amount of open spaces for traffic, circulation, and utilities, and for the avoidance of future congestion of population detrimental to the public health, safety, or welfare, but shall not impose a greater minimum lot area than forty-eight hundred square feet. Before the board may amend or adopt rules, it shall notify all the townships in the county of the proposed amendments or rules by regular mail at least thirty days before the public meeting at which the proposed amendments or rules are to be considered.

The rules may require the board of health to review and comment on a plat before the board of county commissioners acts upon it and may also require proof of compliance with any applicable zoning resolutions, and with ~~rules governing household sewage treatment systems~~ rules adopted under section 3718.02 of the Revised Code, as a basis for approval of a plat. Where under section 711.101 of the Revised Code the board of county commissioners has set up standards and specifications for the construction of streets, utilities, and other improvements for common use, the general rules may require the submission of appropriate plans and specifications for approval. The board shall not require the person submitting the plat to alter the plat or any part of it as a condition for approval, as long as the plat is in accordance with general rules governing plats and subdivisions of land, adopted by the board as provided in this section, in effect at the time the plat was submitted and the plat is in accordance with any standards and specifications set up under section 711.101 of the Revised Code, in effect at the time the plat was submitted.

(C) The ground of refusal to approve any plat, submitted in accordance

with section 711.041 of the Revised Code, shall be stated upon the record of the board, and, within sixty days thereafter, the person submitting any plat that the board refuses to approve may file a petition in the court of common pleas of the county in which the land described in the plat is situated to review the action of the board. A board of township trustees is not entitled to appeal a decision of the board of county commissioners under this section.

Sec. 711.10. (A) Whenever a county planning commission or a regional planning commission adopts a plan for the major streets or highways of the county or region, no plat of a subdivision of land within the county or region, other than land within a municipal corporation or land within three miles of a city or one and one-half miles of a village as provided in section 711.09 of the Revised Code, shall be recorded until it is approved by the county or regional planning commission under division (C) of this section and the approval is endorsed in writing on the plat.

(B) A county or regional planning commission may require the submission of a preliminary plan for each plat sought to be recorded. If the commission requires this submission, it shall provide for a review process for the preliminary plan. Under this review process, the planning commission shall give its approval, its approval with conditions, or its disapproval of each preliminary plan. The commission's decision shall be in writing, shall be under the signature of the secretary of the commission, and shall be issued within thirty-five business days after the submission of the preliminary plan to the commission. The disapproval of a preliminary plan shall state the reasons for the disapproval. A decision of the commission under this division is preliminary to and separate from the commission's decision to approve, conditionally approve, or refuse to approve a plat under division (C) of this section.

(C) Within five calendar days after the submission of a plat for approval under this division, the county or regional planning commission shall schedule a meeting to consider the plat and send a notice by regular mail or by electronic mail to the fiscal officer of the board of township trustees of the township in which the plat is located and the board of health of the health district in which the plat is located. The notice shall inform the trustees and the board of health of the submission of the plat and of the date, time, and location of any meeting at which the county or regional planning commission will consider or act upon the plat. The meeting shall take place within thirty calendar days after submission of the plat, and no meeting shall be held until at least seven calendar days have passed from the date the planning commission sent the notice.

The approval of the county or regional planning commission, the

commission's conditional approval as described in this division, or the refusal of the commission to approve shall be endorsed on the plat within thirty calendar days after the submission of the plat for approval under this division or within such further time as the applying party may agree to in writing; otherwise that plat is deemed approved, and the certificate of the commission as to the date of the submission of the plat for approval under this division and the failure to take action on it within that time shall be sufficient in lieu of the written endorsement or evidence of approval required by this division.

A county or regional planning commission may grant conditional approval under this division to a plat by requiring a person submitting the plat to alter the plat or any part of it, within a specified period after the end of the thirty calendar days, as a condition for final approval under this division. Once all the conditions have been met within the specified period, the commission shall cause its final approval under this division to be endorsed on the plat. No plat shall be recorded until it is endorsed with the commission's final or unconditional approval under this division.

The ground of refusal of approval of any plat submitted under this division, including citation of or reference to the rule violated by the plat, shall be stated upon the record of the county or regional planning commission. Within sixty calendar days after the refusal under this division, the person submitting any plat that the commission refuses to approve under this division may file a petition in the court of common pleas of the proper county, and the proceedings on the petition shall be governed by section 711.09 of the Revised Code as in the case of the refusal of a planning authority to approve a plat. A board of township trustees is not entitled to appeal a decision of the commission under this division.

A county or regional planning commission shall adopt general rules, of uniform application, governing plats and subdivisions of land falling within its jurisdiction, to secure and provide for the proper arrangement of streets or other highways in relation to existing or planned streets or highways or to the county or regional plan, for adequate and convenient open spaces for traffic, utilities, access of firefighting apparatus, recreation, light, and air, and for the avoidance of congestion of population. The rules may provide for their modification by the commission in specific cases where unusual topographical and other exceptional conditions require the modification. The rules may require the board of health to review and comment on a plat before the commission acts upon it and also may require proof of compliance with any applicable zoning resolutions, and with ~~rules governing household sewage treatment systems~~ rules adopted under section

3718.02 of the Revised Code, as a basis for approval of a plat.

Before adoption of its rules or amendment of its rules, the commission shall hold a public hearing on the adoption or amendment. Notice of the public hearing shall be sent to all townships in the county or region by regular mail or electronic mail at least thirty business days before the hearing. No county or regional planning commission shall adopt any rules requiring actual construction of streets or other improvements or facilities or assurance of that construction as a condition precedent to the approval of a plat of a subdivision unless the requirements have first been adopted by the board of county commissioners after a public hearing. A copy of the rules shall be certified by the planning commission to the county recorders of the appropriate counties.

After a county or regional street or highway plan has been adopted as provided in this section, the approval of plats and subdivisions provided for in this section shall be in lieu of any approvals provided for in other sections of the Revised Code, insofar as the territory within the approving jurisdiction of the county or regional planning commission, as provided in this section, is concerned. Approval of a plat shall not be an acceptance by the public of the dedication of any street, highway, or other way or open space shown upon the plat.

No county or regional planning commission shall require a person submitting a plat to alter the plat or any part of it as long as the plat is in accordance with the general rules governing plats and subdivisions of land, adopted by the commission as provided in this section, in effect at the time the plat is submitted.

A county or regional planning commission and a city or village planning commission, or platting commissioner or legislative authority of a village, with subdivision regulation jurisdiction over unincorporated territory within the county or region may cooperate and agree by written agreement that the approval of a plat by the city or village planning commission, or platting commissioner or legislative authority of a village, as provided in section 711.09 of the Revised Code, shall be conditioned upon receiving advice from or approval by the county or regional planning commission.

(D) As used in this section, "business day" means a day of the week excluding Saturday, Sunday, or a legal holiday as defined in section 1.14 of the Revised Code.

Sec. 711.131. (A) Notwithstanding sections 711.001 to 711.13 of the Revised Code and except as provided in division (C) of this section, unless the rules adopted under section 711.05, 711.09, or 711.10 of the Revised Code are amended pursuant to division (B) of this section, a proposed

division of a parcel of land along an existing public street, not involving the opening, widening, or extension of any street or road, and involving no more than five lots after the original tract has been completely subdivided, may be submitted to the planning authority having approving jurisdiction of plats under section 711.05, 711.09, or 711.10 of the Revised Code for approval without plat. If the authority acting through a properly designated representative finds that a proposed division is not contrary to applicable platting, subdividing, zoning, health, sanitary, or access management regulations, regulations adopted under division (B)(3) of section 307.37 of the Revised Code regarding existing surface or subsurface drainage, or ~~rules governing household sewage treatment systems~~ rules adopted under section 3718.02 of the Revised Code, it shall approve the proposed division within seven business days after its submission and, on presentation of a conveyance of the parcel, shall stamp the conveyance "approved by (planning authority); no plat required" and have it signed by its clerk, secretary, or other official as may be designated by it. The planning authority may require the submission of a sketch and other information that is pertinent to its determination under this division.

(B) For a period of up to two years after April 15, 2005, the rules adopted under section 711.05, 711.09, or 711.10 of the Revised Code may be amended within that period to authorize the planning authority involved to approve proposed divisions of parcels of land without plat under this division. If an authority so amends its rules, it may approve no more than five lots without a plat from an original tract as that original tract exists on the effective date of the amendment to the rules. The authority shall make the findings and approve a proposed division in the time and manner specified in division (A) of this section.

(C) This section does not apply to parcels subject to section 711.133 of the Revised Code.

(D) As used in this section, "business day" means a day of the week excluding Saturday, Sunday, or a legal holiday as defined in section 1.14 of the Revised Code.

Sec. 3718.022. Notwithstanding any provision in this chapter to the contrary, in adopting rules under division (A) of section 3718.02 of the Revised Code, the public health council shall consider the economic impact of the rules on property owners, the state of available technology, and the nature and economics of the available alternatives.

Sec. 4736.01. As used in this chapter:

(A) "Environmental health science" means the aspect of public health science that includes, but is not limited to, the following bodies of

knowledge: air quality, food quality and protection, hazardous and toxic substances, consumer product safety, housing, institutional health and safety, community noise control, radiation protection, recreational facilities, solid and liquid waste management, vector control, drinking water quality, milk sanitation, and rabies control.

(B) "Sanitarian" means a person who performs for compensation educational, investigational, technical, or administrative duties requiring specialized knowledge and skills in the field of environmental health science.

(C) "Registered sanitarian" means a person who is registered as a sanitarian in accordance with this chapter.

(D) "Sanitarian-in-training" means a person who is registered as a sanitarian-in-training in accordance with this chapter.

(E) "Practice of environmental health" means consultation, instruction, investigation, inspection, or evaluation by an employee of a city health district, a general health district, the environmental protection agency, the department of health, or the department of agriculture requiring specialized knowledge, training, and experience in the field of environmental health science, with the primary purpose of improving or conducting administration or enforcement under any of the following:

(1) Chapter 911., 913., 917., 3717., 3718., 3721., 3729., or 3733. of the Revised Code;

(2) Chapter 3734. of the Revised Code as it pertains to solid waste;

(3) Section 955.26, 3701.344, 3707.01, or 3707.03, sections 3707.38 to 3707.99, or section 3715.21 of the Revised Code;

(4) Rules adopted under section 3701.34 of the Revised Code pertaining to ~~home sewage~~, rabies control, or swimming pools;

(5) Rules adopted under section 3701.935 of the Revised Code for school health and safety network inspections and rules adopted under section 3707.26 of the Revised Code for sanitary inspections.

"Practice of environmental health" does not include sampling, testing, controlling of vectors, reporting of observations, or other duties that do not require application of specialized knowledge and skills in environmental health science performed under the supervision of a registered sanitarian.

The state board of sanitarian registration may further define environmental health science in relation to specific functions in the practice of environmental health through rules adopted by the board under Chapter 119. of the Revised Code.

Sec. 6111.04. (A) Both of the following apply except as otherwise provided in division (A) or (F) of this section:

(1) No person shall cause pollution or place or cause to be placed any sewage, sludge, sludge materials, industrial waste, or other wastes in a location where they cause pollution of any waters of the state.

(2) Such an action prohibited under division (A)(1) of this section is hereby declared to be a public nuisance.

Divisions (A)(1) and (2) of this section do not apply if the person causing pollution or placing or causing to be placed wastes in a location in which they cause pollution of any waters of the state holds a valid, unexpired permit, or renewal of a permit, governing the causing or placement as provided in sections 6111.01 to 6111.08 of the Revised Code or if the person's application for renewal of such a permit is pending.

(B) If the director of environmental protection administers a sludge management program pursuant to division (S) of section 6111.03 of the Revised Code, both of the following apply except as otherwise provided in division (B) or (F) of this section:

(1) No person, in the course of sludge management, shall place on land located in the state or release into the air of the state any sludge or sludge materials.

(2) An action prohibited under division (B)(1) of this section is hereby declared to be a public nuisance.

Divisions (B)(1) and (2) of this section do not apply if the person placing or releasing the sludge or sludge materials holds a valid, unexpired permit, or renewal of a permit, governing the placement or release as provided in sections 6111.01 to 6111.08 of the Revised Code or if the person's application for renewal of such a permit is pending.

(C) No person to whom a permit has been issued shall place or discharge, or cause to be placed or discharged, in any waters of the state any sewage, sludge, sludge materials, industrial waste, or other wastes in excess of the permissive discharges specified under an existing permit without first receiving a permit from the director to do so.

(D) No person to whom a sludge management permit has been issued shall place on the land or release into the air of the state any sludge or sludge materials in excess of the permissive amounts specified under the existing sludge management permit without first receiving a modification of the existing sludge management permit or a new sludge management permit to do so from the director.

(E) The director may require the submission of plans, specifications, and other information that the director considers relevant in connection with the issuance of permits.

(F) This section does not apply to any of the following:

(1) Waters used in washing sand, gravel, other aggregates, or mineral products when the washing and the ultimate disposal of the water used in the washing, including any sewage, industrial waste, or other wastes contained in the waters, are entirely confined to the land under the control of the person engaged in the recovery and processing of the sand, gravel, other aggregates, or mineral products and do not result in the pollution of waters of the state;

(2) Water, gas, or other material injected into a well to facilitate, or that is incidental to, the production of oil, gas, artificial brine, or water derived in association with oil or gas production and disposed of in a well, in compliance with a permit issued under Chapter 1509. of the Revised Code, or sewage, industrial waste, or other wastes injected into a well in compliance with an injection well operating permit. Division (F)(2) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, regulation of the United States environmental protection agency.

(3) Application of any materials to land for agricultural purposes or runoff of the materials from that application or pollution by animal waste or soil sediment, including attached substances, resulting from farming, silvicultural, or earthmoving activities regulated by Chapter 307. or 1511. of the Revised Code. Division (F)(3) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, the Federal Water Pollution Control Act or regulations adopted under it.

(4) The excrement of domestic and farm animals defecated on land or runoff therefrom into any waters of the state. Division (F)(4) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, the Federal Water Pollution Control Act or regulations adopted under it.

(5) On and after the date on which the United States environmental protection agency approves the NPDES program submitted by the director of agriculture under section 903.08 of the Revised Code, any discharge that is within the scope of the approved NPDES program submitted by the director of agriculture;

(6) The discharge of sewage, industrial waste, or other wastes into a sewerage system tributary to a treatment works. Division (F)(6) of this section does not authorize any discharge into a publicly owned treatment works in violation of a pretreatment program applicable to the publicly owned treatment works.

~~(7) Septic tanks or other disposal systems for the disposal or treatment~~

~~of sewage from single family, two family, or three family dwellings~~ A household sewage treatment system or a small flow on-site sewage treatment system, as applicable, as defined in section 3718.01 of the Revised Code that is installed in compliance with the sanitary code and section 3707.04 Chapter 3718, of the Revised Code and rules adopted under it. Division (F)(7) of this section does not authorize, without a permit, any discharge that is prohibited by, or for which a permit is required by, regulation of the United States environmental protection agency.

(8) Exceptional quality sludge generated outside of this state and contained in bags or other containers not greater than one hundred pounds in capacity. As used in division (F)(8) of this section, "exceptional quality sludge" has the same meaning as in division (Y) of section 3745.11 of the Revised Code.

(G) The holder of a permit issued under section 402 (a) of the Federal Water Pollution Control Act need not obtain a permit for a discharge authorized by the permit until its expiration date. Except as otherwise provided in this division, the director of environmental protection shall administer and enforce those permits within this state and may modify their terms and conditions in accordance with division (J) of section 6111.03 of the Revised Code. On and after the date on which the United States environmental protection agency approves the NPDES program submitted by the director of agriculture under section 903.08 of the Revised Code, the director of agriculture shall administer and enforce those permits within this state that are issued for any discharge that is within the scope of the approved NPDES program submitted by the director of agriculture.

Sec. 6111.44. (A) Except as otherwise provided in division (B) of this section, in section 6111.14 of the Revised Code, or in rules adopted under division (G) of section 6111.03 of the Revised Code, no municipal corporation, county, public institution, corporation, or officer or employee thereof or other person shall provide or install sewerage or treatment works for sewage, sludge, or sludge materials disposal or treatment or make a change in any sewerage or treatment works until the plans therefor have been submitted to and approved by the director of environmental protection. Sections 6111.44 to 6111.46 of the Revised Code apply to sewerage and treatment works of a municipal corporation or part thereof, an unincorporated community, a county sewer district, or other land outside of a municipal corporation or any publicly or privately owned building or group of buildings or place, used for the assemblage, entertainment, recreation, education, correction, hospitalization, housing, or employment of persons.

In granting an approval, the director may stipulate modifications, conditions, and rules that the public health and prevention of pollution may require. Any action taken by the director shall be a matter of public record and shall be entered in the director's journal. Each period of thirty days that a violation of this section continues, after a conviction for the violation, constitutes a separate offense.

(B) Sections 6111.45 and 6111.46 of the Revised Code and division (A) of this section do not apply to any of the following:

(1) Sewerage or treatment works for sewage installed or to be installed for the use of a private residence or dwelling;

(2) Sewerage systems, treatment works, or disposal systems for storm water from an animal feeding facility or manure, as "animal feeding facility" and "manure" are defined in section 903.01 of the Revised Code;

(3) Animal waste treatment or disposal works and related management and conservation practices that are subject to rules adopted under division (E)(2) of section 1511.02 of the Revised Code;

(4) Sewerage or treatment works for the on-lot disposal or treatment of sewage from a small flow on-site sewage treatment system, as defined in section 3718.01 of the Revised Code, if the board of health of a city or general health district has notified the director of health and the director of environmental protection under section 3718.021 of the Revised Code that the board has chosen to regulate the system, provided that the board remains in compliance with the rules adopted under division (A)(13) of section 3718.02 of the Revised Code.

The exclusions established in divisions (B)(2) and (3) of this section do not apply to the construction or installation of disposal systems, as defined in section 6111.01 of the Revised Code, that are located at an animal feeding facility and that store, treat, or discharge wastewaters that do not include storm water or manure or that discharge to a publicly owned treatment works.

SECTION 120.04. That existing sections 711.001, 711.05, 711.10, 711.131, 4736.01, 6111.04, and 6111.44 of the Revised Code are hereby repealed.

SECTION 120.05. Sections 120.03 and 120.04 take effect on July 1, 2009.

SECTION 130.01. As is more completely explained in Sections 130.02

and 130.03 that follow, this act, pursuant to Section 611.03 of Am. Sub. H.B. 66 of the 126th General Assembly, confirms and orders implementation of the amendments and the enactment referred to in Section 611.03, the taking effect of which amendments and enactment by Am. Sub. H.B. 66 was postponed in whole or in part by Section 611.03 pending this confirmation and order.

SECTION 130.02. (A)(1) Sections 3311.19, 3313.12, and 4117.08 of the Revised Code are presented in division (B) of this section solely for the purpose of confirming the sections and ordering their implementation as they result from Am. Sub. H.B. 66 of the 126th General Assembly. No other action is being taken with regard to these sections.

(2) Section 9.833 of the Revised Code is presented in division (B) of this section for the purpose of confirming the section and ordering its implementation as it results from Am. Sub. H.B. 46 and Am. Sub. H.B. 66, both of the 126th General Assembly, and of amending the section to read as directed by this act. Section 9.90 of the Revised Code is presented in division (B) of this section for the purposes of confirming the section and ordering its implementation as it results from Am. Sub. H.B. 66 and Sub. H.B. 193 of the 126th General Assembly and of amending the section to read as directed by this act. Section 9.901 of the Revised Code is presented in division (B) of this section for the purposes of confirming the section and ordering its complete implementation as it results from Am. Sub. H.B. 66 of the 126th General Assembly and as it was subsequently amended by Am. Sub. H.B. 530 of the 126th General Assembly and of amending the section to read as directed by this act. Sections 3313.202, 3313.33, and 4117.03 of the Revised Code are presented in division (B) of this section for the purposes of confirming the sections and ordering their implementation as they result from Am. Sub. H.B. 66 of the 126th General Assembly and of amending the sections to read as directed by this act.

(B) Sections 9.833, 9.90, 9.901, 3311.19, 3313.12, 3313.202, 3313.33, 4117.03, and 4117.08 of the Revised Code are presented in this division as explained in divisions (A)(1) and (2) of this section:

Sec. 9.833. (A) As used in this section, "political subdivision" means a municipal corporation, township, county, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state, and agencies and instrumentalities of these entities. ~~For purposes of this section, a school district is not a "political subdivision."~~

(B) Political subdivisions that provide health care benefits for their officers or employees may do any of the following:

(1) Establish and maintain an individual self-insurance program with public moneys to provide authorized health care benefits, including but not limited to, health care, prescription drugs, dental care, and vision care, in accordance with division (C) of this section;

(2) Establish and maintain a health savings account program whereby employees or officers may establish and maintain health savings accounts in accordance with section 223 of the Internal Revenue Code. Public moneys may be used to pay for or fund federally qualified high deductible health plans that are linked to health savings accounts or to make contributions to health savings accounts. A health savings account program may be a part of a self-insurance program.

(3) After establishing an individual self-insurance program, agree with other political subdivisions that have established individual self-insurance programs for health care benefits, that their programs will be jointly administered in a manner specified in the agreement;

(4) Pursuant to a written agreement and in accordance with division (C) of this section, join in any combination with other political subdivisions to establish and maintain a joint self-insurance program to provide health care benefits;

(5) Pursuant to a written agreement, join in any combination with other political subdivisions to procure or contract for policies, contracts, or plans of insurance to provide health care benefits, which may include a health savings account program, for their officers and employees subject to the agreement;

(6) Use in any combination any of the policies, contracts, plans, or programs authorized under this division.

(C) Except as otherwise provided in division (E) of this section, the following apply to individual or joint self-insurance programs established pursuant to this section:

(1) Such funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential cost of health care benefits for the officers and employees of the political subdivision. A report of amounts so reserved and disbursements made from such funds, together with a written report of a member of the American academy of actuaries certifying whether the amounts reserved conform to the requirements of this division, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles, shall be prepared and maintained, within ninety days after the last day of the fiscal year of the entity for which the report is provided for that fiscal year, in the office of the program administrator described in division (C)(3) of this

section.

The report required by division (C)(1) of this section shall include, but not be limited to, disbursements made for the administration of the program, including claims paid, costs of the legal representation of political subdivisions and employees, and fees paid to consultants.

The program administrator described in division (C)(3) of this section shall make the report required by this division available for inspection by any person at all reasonable times during regular business hours, and, upon the request of such person, shall make copies of the report available at cost within a reasonable period of time.

(2) Each political subdivision shall reserve funds necessary for an individual or joint self-insurance program in a special fund that may be established for political subdivisions other than an agency or instrumentality pursuant to an ordinance or resolution of the political subdivision and not subject to section 5705.12 of the Revised Code. An agency or instrumentality shall reserve the funds necessary for an individual or joint self-insurance program in a special fund established pursuant to a resolution duly adopted by the agency's or instrumentality's governing board. The political subdivision may allocate the costs of insurance or any self-insurance program, or both, among the funds or accounts established under this division on the basis of relative exposure and loss experience.

(3) A contract may be awarded, without the necessity of competitive bidding, to any person, political subdivision, nonprofit corporation organized under Chapter 1702. of the Revised Code, or regional council of governments created under Chapter 167. of the Revised Code for purposes of administration of an individual or joint self-insurance program. No such contract shall be entered into without full, prior, public disclosure of all terms and conditions. The disclosure shall include, at a minimum, a statement listing all representations made in connection with any possible savings and losses resulting from the contract, and potential liability of any political subdivision or employee. The proposed contract and statement shall be disclosed and presented at a meeting of the political subdivision not less than one week prior to the meeting at which the political subdivision authorizes the contract.

A contract awarded to a nonprofit corporation or a regional council of governments under this division may provide that all employees of the nonprofit corporation or regional council of governments and the employees of all entities related to the nonprofit corporation or regional council of governments may be covered by the individual or joint self-insurance program under the terms and conditions set forth in the contract.

(4) The individual or joint self-insurance program shall include a contract with a member of the American academy of actuaries for the preparation of the written evaluation of the reserve funds required under division (C)(1) of this section.

(5) A joint self-insurance program may allocate the costs of funding the program among the funds or accounts established under this division to the participating political subdivisions on the basis of their relative exposure and loss experience.

(6) An individual self-insurance program may allocate the costs of funding the program among the funds or accounts established under this division to the political subdivision that established the program.

(7) Two or more political subdivisions may also authorize the establishment and maintenance of a joint health care cost containment program, including, but not limited to, the employment of risk managers, health care cost containment specialists, and consultants, for the purpose of preventing and reducing health care costs covered by insurance, individual self-insurance, or joint self-insurance programs.

(8) A political subdivision is not liable under a joint self-insurance program for any amount in excess of amounts payable pursuant to the written agreement for the participation of the political subdivision in the joint self-insurance program. Under a joint self-insurance program agreement, a political subdivision may, to the extent permitted under the written agreement, assume the risks of any other political subdivision. A joint self-insurance program established under this section is deemed a separate legal entity for the public purpose of enabling the members of the joint self-insurance program to obtain insurance or to provide for a formalized, jointly administered self-insurance fund for its members. An entity created pursuant to this section is exempt from all state and local taxes.

(9) Any political subdivision, other than an agency or instrumentality, may issue general obligation bonds, or special obligation bonds that are not payable from real or personal property taxes, and may also issue notes in anticipation of such bonds, pursuant to an ordinance or resolution of its legislative authority or other governing body for the purpose of providing funds to pay expenses associated with the settlement of claims, whether by way of a reserve or otherwise, and to pay the political subdivision's portion of the cost of establishing and maintaining an individual or joint self-insurance program or to provide for the reserve in the special fund authorized by division (C)(2) of this section.

In its ordinance or resolution authorizing bonds or notes under this

section, a political subdivision may elect to issue such bonds or notes under the procedures set forth in Chapter 133. of the Revised Code. In the event of such an election, notwithstanding Chapter 133. of the Revised Code, the maturity of the bonds may be for any period authorized in the ordinance or resolution not exceeding twenty years, which period shall be the maximum maturity of the bonds for purposes of section 133.22 of the Revised Code.

Bonds and notes issued under this section shall not be considered in calculating the net indebtedness of the political subdivision under sections 133.04, 133.05, 133.06, and 133.07 of the Revised Code. Sections 9.98 to 9.983 of the Revised Code are hereby made applicable to bonds or notes authorized under this section.

(10) A joint self-insurance program is not an insurance company. Its operation does not constitute doing an insurance business and is not subject to the insurance laws of this state.

(D) A political subdivision may procure group life insurance for its employees in conjunction with an individual or joint self-insurance program authorized by this section, provided that the policy of group life insurance is not self-insured.

(E) Divisions (C)(1), (2), and (4) of this section do not apply to individual self-insurance programs in municipal corporations, townships, or counties.

(F) A public official or employee of a political subdivision who is or becomes a member of the governing body of the program administrator of a joint self-insurance program in which the political subdivision participates is not in violation of division (D) or (E) of section 102.03, division (C) of section 102.04, or section 2921.42 of the Revised Code as a result of either of the following:

(1) The political subdivision's entering under this section into the written agreement to participate in the joint self-insurance program;

(2) The political subdivision's entering under this section into any other contract with the joint self-insurance program.

Sec. 9.90. (A) The governing board of any public institution of higher education, including without limitation state universities and colleges, community college districts, university branch districts, technical college districts, and municipal universities, may, in addition to all other powers provided in the Revised Code:

(1) Contract for, purchase, or otherwise procure from an insurer or insurers licensed to do business by the state of Ohio for or on behalf of such of its employees as it may determine, life insurance, or sickness, accident, annuity, endowment, health, medical, hospital, dental, or surgical coverage

and benefits, or any combination thereof, by means of insurance plans or other types of coverage, family, group or otherwise, and may pay from funds under its control and available for such purpose all or any portion of the cost, premium, or charge for such insurance, coverage, or benefits. However, the governing board, in addition to or as an alternative to the authority otherwise granted by division (A)(1) of this section, may elect to procure coverage for health care services, for or on behalf of such of its employees as it may determine, by means of policies, contracts, certificates, or agreements issued by at least two health insuring corporations holding a certificate of authority under Chapter 1751. of the Revised Code and may pay from funds under the governing board's control and available for such purpose all or any portion of the cost of such coverage.

(2) Make payments to a custodial account for investment in regulated investment company stock for the purpose of providing retirement benefits as described in section 403(b)(7) of the Internal Revenue Code of 1954, as amended. Such stock shall be purchased only from persons authorized to sell such stock in this state.

Any income of an employee deferred under divisions (A)(1) and (2) of this section in a deferred compensation program eligible for favorable tax treatment under the Internal Revenue Code of 1954, as amended, shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the retirement system of such employee. Any sum so deferred shall not be included in the computation of any federal and state income taxes withheld on behalf of any such employee.

(B) All or any portion of the cost, premium, or charge therefor may be paid in such other manner or combination of manners as the governing board may determine, including direct payment by the employee in cases under division (A)(1) of this section, and, if authorized in writing by the employee in cases under division (A)(1) or (2) of this section, by such governing board with moneys made available by deduction from or reduction in salary or wages or by the foregoing of a salary or wage increase. Nothing in section 3917.01 or section 3917.06 of the Revised Code shall prohibit the issuance or purchase of group life insurance authorized by this section by reason of payment of premiums therefor by the governing board from its funds, and such group life insurance may be so issued and purchased if otherwise consistent with the provisions of sections 3917.01 to 3917.07 of the Revised Code.

(C) The board of education of any school district may exercise any of the powers granted to the governing boards of public institutions of higher

education under divisions (A) and (B) of this section, except in relation to the provision of health care benefits to employees. All health care benefits provided to persons employed by the public schools of this state shall be medical health care plans designed that contain best practices established by the school employees health care board pursuant to section 9.901 of the Revised Code.

Sec. 9.901. (A)(1) All health care benefits provided to persons employed by the public ~~schools~~ school districts of this state shall be provided by medical health care plans designed that contain best practices established 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. Twelve months after the release of best practices by the board all policies or contracts for health care benefits provided to public school district employees that are issued or renewed after the expiration of any applicable collective bargaining agreement must contain best practices established pursuant to this section by the board. Any or all of the medical health care plans designed that contain best practices specified 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 district" means ~~a school in~~ a city, local, exempted village, or joint vocational school district, and includes the educational service centers associated with those ~~schools~~ districts but not charter 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:~~

~~(a) A "medical health care plan" includes group policies, contracts, and agreements that provide hospital, surgical, or medical expense coverage, including self-insured plans. A "medical health care plan" does not include an individual plan offered to the employees of a public school district, or a plan that provides coverage only for dental services, vision services, specific disease or accidents, or a hospital indemnity, medicare supplement, or other plan including a group voluntary plan that provides only supplemental benefits, paid for by the employees of a public school district.~~

~~(b) A "health plan sponsor" means a public school district, a consortium of public school districts, or a council of governments.~~

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

~~(1) ~~Three~~ Four members appointed by the governor, one of whom shall be representative of nonadministrative public school district employees;~~

~~(2) ~~Three~~ Four members appointed by the president of the senate, one of whom shall be representative of nonadministrative public school district employees;~~

~~(3) ~~Three~~ Four members appointed by the speaker of the house of representatives, one of whom shall be representative of nonadministrative public school district employees.~~

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 September 29, 2005, but may be reappointed, except as otherwise specified in division (B) of this section.~~

~~Members' terms shall end on the twenty-ninth day of September, but a 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~~ receive compensation ~~but fixed~~ pursuant to division (J) of section 124.15 of the Revised Code and 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~~ At the first meeting of the board after the first day of January of each calendar year, 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~~ nine times each calendar year and shall also meet at the call of the chairperson or ~~three~~ four 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~~ The board shall use 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 to carry out the provisions of 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; Adopt and release a set of standards that shall be considered the best practices to which public school districts shall adhere in the selection and implementation of health care plans. The standards developed by the board shall not duplicate or conflict with existing requirements with which health insuring corporations and sickness and accident insurers must comply pursuant to Chapters 1751. and 3923. of the Revised Code.~~

~~(2) Require that the plans the health plan sponsors administer make readily available to the public all cost and design elements of the plan;~~

~~(3) Work with health plan sponsors through educational outlets and consultation;~~

~~(4) Maintain a commitment to transparency and public access of its meetings and activity pursuant to division (E) of this section;~~

~~(5) Promote cooperation among all organizations affected by this section in identifying the elements for the successful implementation of this~~

section:

(6) ~~Utilize~~ Promote cost containment measures aligned with patient, plan, and provider management strategies in developing and managing ~~medical health care plans~~;

(7) Prepare and disseminate to the public an annual report on the status of health plan sponsors' effectiveness in making progress to reduce the rate of increase in insurance premiums and employee out of pocket expenses, as well as progress in improving the health status of school district employees and their families.

(H) The sections in Chapter 3923. of the Revised Code regulating public employee benefit plans are not applicable to the ~~medical health care 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~~ The board shall ~~may~~ contract with an ~~one~~ or more independent ~~consultant~~ consultants to analyze costs related to employee health care benefits provided by existing public school district plans in this state. ~~The consultant shall determine~~ consultants may evaluate the benefits offered by existing ~~medical health care plans~~, the employees' costs, and the cost-sharing arrangements used by public ~~schools~~ school districts either participating in a consortium or by other means. ~~The consultant shall determine~~ consultants may evaluate what strategies are used by the existing ~~medical health care 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~~ consultants may submit written recommendations to the board for the development and implementation of a successful ~~program~~ best practices and programs for ~~pooling~~ improving school districts' ~~purchasing power for the acquisition of employee medical health care 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, 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)(J)~~ 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~~ shall appoint two representatives each from the Ohio education association, the Ohio school boards association, and a health insuring corporation licensed to do business in Ohio and recommended by the Ohio association of Health Plans. The speaker shall appoint two representatives each from the Ohio association of school business officials, the Ohio federation of teachers, and the buckeye association of school administrators. The president of the senate shall appoint two representatives each from 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~~ and the Ohio association of public school employees. The initial appointees shall be appointed to a one-year term not later than July 31, 2007, the members' term to begin on that date. ~~Subsequent one-year~~ serve until December 31, 2007; ~~subsequent two-year~~ appointments, to commence on the thirty-first day of July first day of January of each year thereafter, and 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~~ advisory committee shall elect a chairperson at its first meeting after the first day of January each year who shall call the time and place of future committee meetings in addition to the meetings that are to be held jointly with the school employees health care board. 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 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)(K)~~ The board may adopt rules for the enforcement of health plan sponsors' compliance with the best practices standards adopted by the board pursuant to this section.

~~(L)~~ Any districts providing medical health care plan coverage for the employees of public schools, or that have provided coverage within two years prior to September 29, 2005, school districts 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 sixty 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)(M)(1)~~ The school employees health care board may contract with other state agencies for services 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 for other needed services. The school

employees health care board ~~shall~~ may contract with the department of administrative services for central services until such time the board is deems itself able to obtain such services from its own staff or 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)~~(2) The board shall hire staff as necessary to provide administrative support to the board and the public school employee health care plan program established by this section.

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

~~(M)~~(O) 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 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.~~

(P)(1) Pursuant to Chapter 117. of the Revised Code, the auditor of state shall conduct all necessary and required audits of the board. The auditor of state, upon request, also shall furnish to the board copies of audits of public school districts or consortia performed by the auditor of state.

(2) Annually, the superintendent of insurance shall evaluate the performance of the school employee health care board best practices during the previous year and submit the results in writing to the governor and the general assembly. The superintendent also shall include in the audit of the health care plans of the health plan sponsors for which the superintendent has jurisdiction for a determination of adherence to the best practices established by the board.

Sec. 3311.19. (A) The management and control of a joint vocational school district shall be vested in the joint vocational school district board of education. Where a joint vocational school district is composed only of two or more local school districts located in one county, or when all the participating districts are in one county and the boards of such participating districts so choose, the educational service center governing board of the county in which the joint vocational school district is located shall serve as the joint vocational school district board of education. Where a joint vocational school district is composed of local school districts of more than one county, or of any combination of city, local, or exempted village school districts or educational service centers, unless administration by the

educational service center governing board has been chosen by all the participating districts in one county pursuant to this section, the board of education of the joint vocational school district shall be composed of one or more persons who are members of the boards of education from each of the city or exempted village school districts or members of the educational service centers' governing boards affected to be appointed by the boards of education or governing boards of such school districts and educational service centers. In such joint vocational school districts the number and terms of members of the joint vocational school district board of education and the allocation of a given number of members to each of the city and exempted village districts and educational service centers shall be determined in the plan for such district, provided that each such joint vocational school district board of education shall be composed of an odd number of members.

(B) Notwithstanding division (A) of this section, a governing board of an educational service center that has members of its governing board serving on a joint vocational school district board of education may make a request to the joint vocational district board that the joint vocational school district plan be revised to provide for one or more members of boards of education of local school districts that are within the territory of the educational service district and within the joint vocational school district to serve in the place of or in addition to its educational service center governing board members. If agreement is obtained among a majority of the boards of education and governing boards that have a member serving on the joint vocational school district board of education and among a majority of the local school district boards of education included in the district and located within the territory of the educational service center whose board requests the substitution or addition, the state board of education may revise the joint vocational school district plan to conform with such agreement.

(C) If the board of education of any school district or educational service center governing board included within a joint vocational district that has had its board or governing board membership revised under division (B) of this section requests the joint vocational school district board to submit to the state board of education a revised plan under which one or more joint vocational board members chosen in accordance with a plan revised under such division would again be chosen in the manner prescribed by division (A) of this section, the joint vocational board shall submit the revised plan to the state board of education, provided the plan is agreed to by a majority of the boards of education represented on the joint vocational board, a majority of the local school district boards included within the joint

vocational district, and each educational service center governing board affected by such plan. The state board of education may revise the joint vocational school district plan to conform with the revised plan.

(D) The vocational schools in such joint vocational school district shall be available to all youth of school age within the joint vocational school district subject to the rules adopted by the joint vocational school district board of education in regard to the standards requisite to admission. A joint vocational school district board of education shall have the same powers, duties, and authority for the management and operation of such joint vocational school district as is granted by law, except by this chapter and Chapters 124., 3317., 3323., and 3331. of the Revised Code, to a board of education of a city school district, and shall be subject to all the provisions of law that apply to a city school district, except such provisions in this chapter and Chapters 124., 3317., 3323., and 3331. of the Revised Code.

(E) Where a governing board of an educational service center has been designated to serve as the joint vocational school district board of education, the educational service center superintendent shall be the executive officer for the joint vocational school district, and the governing board may provide for additional compensation to be paid to the educational service center superintendent by the joint vocational school district, but the educational service center superintendent shall have no continuing tenure other than that of educational service center superintendent. The superintendent of schools of a joint vocational school district shall exercise the duties and authority vested by law in a superintendent of schools pertaining to the operation of a school district and the employment and supervision of its personnel. The joint vocational school district board of education shall appoint a treasurer of the joint vocational school district who shall be the fiscal officer for such district and who shall have all the powers, duties, and authority vested by law in a treasurer of a board of education. Where a governing board of an educational service center has been designated to serve as the joint vocational school district board of education, such board may appoint the educational service center superintendent as the treasurer of the joint vocational school district.

(F) Each member of a joint vocational school district board of education may be paid such compensation as the board provides by resolution, but it shall not exceed one hundred twenty-five dollars per member for each meeting attended plus mileage, at the rate per mile provided by resolution of the board, to and from meetings of the board.

The board may provide by resolution for the deduction of amounts payable for benefits under section 3313.202 of the Revised Code.

Each member of a joint vocational school district board may be paid such compensation as the board provides by resolution for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars per day for attendance at a training program three hours or fewer in length and one hundred twenty-five dollars a day for attendance at a training program longer than three hours in length. However, no board member shall be compensated for the same training program under this section and section 3313.12 of the Revised Code.

Sec. 3313.12. Each member of the educational service center governing board may be paid such compensation as the governing board provides by resolution, provided that any such compensation shall not exceed one hundred twenty-five dollars a day plus mileage both ways, at the rate per mile provided by resolution of the governing board, for attendance at any meeting of the board. Such compensation and the expenses of the educational service center superintendent, itemized and verified, shall be paid from the educational service center governing board fund upon vouchers signed by the president of the governing board.

The board of education of any city, local, or exempted village school district may provide by resolution for compensation of its members, provided that such compensation shall not exceed one hundred twenty-five dollars per member for meetings attended. The board may provide by resolution for the deduction of amounts payable for benefits under section 3313.202 of the Revised Code.

Each member of a district board or educational service center governing board may be paid such compensation as the respective board provides by resolution for attendance at an approved training program, provided that such compensation shall not exceed sixty dollars a day for attendance at a training program three hours or fewer in length and one hundred twenty-five dollars a day for attendance at a training program longer than three hours in length.

Sec. 3313.202. Any elected or appointed member of the board of education of a school district and the dependent children and spouse of the member may be covered, at the option of the member, under any ~~medical health care plan designed~~ containing best practices prescribed by the school employees health care board under section 9.901 of the Revised Code. The member shall pay all premiums for that coverage. Payments for such coverage shall be made, in advance, in a manner prescribed by the school employees health care board. The member's exercise of an option to be covered under this section shall be in writing, announced at a regular public meeting of the board of education, and recorded as a public record in the

minutes of the board.

Sec. 3313.33. (A) Conveyances made by a board of education shall be executed by the president and treasurer thereof.

(B) Except as provided in division (C) of this section, no member of the board shall have, directly or indirectly, any pecuniary interest in any contract of the board or be employed in any manner for compensation by the board of which the person is a member. No contract shall be binding upon any board unless it is made or authorized at a regular or special meeting of such board.

(C) A member of the board may have a pecuniary interest in a contract of the board if all of the following apply:

(1) The member's pecuniary interest in that contract is that the member is employed by a political subdivision, instrumentality, or agency of the state that is contracting with the board;

(2) The member does not participate in any discussion or debate regarding the contract or vote on the contract;

(3) The member files with the school district treasurer an affidavit stating the member's exact employment status with the political subdivision, instrumentality, or agency contracting with the board.

(D) This section does not apply where a member of the board, being a shareholder of a corporation but not being an officer or director thereof, owns not in excess of five per cent of the stock of such corporation. If a stockholder desires to avail self of the exception, before entering upon such contract such person shall first file with the treasurer an affidavit stating the stockholder's exact status and connection with said corporation.

This section does not apply where a member of the board elects to be covered by a ~~medical~~ health care plan under section 3313.202 of the Revised Code.

Sec. 4117.03. (A) Public employees have the right to:

(1) Form, join, assist, or participate in, or refrain from forming, joining, assisting, or participating in, except as otherwise provided in Chapter 4117. of the Revised Code, any employee organization of their own choosing;

(2) Engage in other concerted activities for the purpose of collective bargaining or other mutual aid and protection;

(3) Representation by an employee organization;

(4) Bargain collectively with their public employers to determine wages, hours, terms and other conditions of employment and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement, and enter into collective bargaining agreements;

(5) Present grievances and have them adjusted, without the intervention

of the bargaining representative, as long as the adjustment is not inconsistent with the terms of the collective bargaining agreement then in effect and as long as the bargaining representatives have the opportunity to be present at the adjustment.

(B) Persons on active duty or acting in any capacity as members of the organized militia do not have collective bargaining rights.

(C) Except as provided in division (D) of this section, nothing in Chapter 4117. of the Revised Code prohibits public employers from electing to engage in collective bargaining, to meet and confer, to hold discussions, or to engage in any other form of collective negotiations with public employees who are not subject to Chapter 4117. of the Revised Code pursuant to division (C) of section 4117.01 of the Revised Code.

(D) A public employer shall not engage in collective bargaining or other forms of collective negotiations with the employees of county boards of elections referred to in division (C)(12) of section 4117.01 of the Revised Code.

(E)(1) Employees of public ~~school~~ schools may bargain collectively for health care benefits; however, all health care benefits shall ~~be provided through~~ include best practices prescribed by the school employees health care board medical plans, in accordance with section 9.901 of the Revised Code. ~~If a school district provides its employees with health care benefits pursuant to collective bargaining, the employees shall be permitted to choose a plan option from among the school employees health care board plans agreed to during collective bargaining.~~

~~(2) During collective bargaining, employees of public schools may agree to pay a higher percentage of the premium for health benefit coverage under the plans designed by the school employees health care board pursuant to section 9.901 of the Revised Code than the percentage designated as the employees' contribution level by the board. A collective bargaining agreement, however, shall not permit the employees to contribute a lesser percentage of the premium than that set as the employees' contribution level by the school employees health care board, unless, in so doing, the participating school board is able to remain in compliance with the aggregate goal set pursuant to division (G)(3) of section 9.901 of the Revised Code.~~

Sec. 4117.08. (A) All matters pertaining to wages, hours, or terms and other conditions of employment and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement are subject to collective bargaining between the public employer and the exclusive representative, except as otherwise specified in this section and

division (E) of section 4117.03 of the Revised Code.

(B) The conduct and grading of civil service examinations, the rating of candidates, the establishment of eligible lists from the examinations, and the original appointments from the eligible lists are not appropriate subjects for collective bargaining.

(C) Unless a public employer agrees otherwise in a collective bargaining agreement, nothing in Chapter 4117. of the Revised Code impairs the right and responsibility of each public employer to:

(1) Determine matters of inherent managerial policy which include, but are not limited to areas of discretion or policy such as the functions and programs of the public employer, standards of services, its overall budget, utilization of technology, and organizational structure;

(2) Direct, supervise, evaluate, or hire employees;

(3) Maintain and improve the efficiency and effectiveness of governmental operations;

(4) Determine the overall methods, process, means, or personnel by which governmental operations are to be conducted;

(5) Suspend, discipline, demote, or discharge for just cause, or lay off, transfer, assign, schedule, promote, or retain employees;

(6) Determine the adequacy of the work force;

(7) Determine the overall mission of the employer as a unit of government;

(8) Effectively manage the work force;

(9) Take actions to carry out the mission of the public employer as a governmental unit.

The employer is not required to bargain on subjects reserved to the management and direction of the governmental unit except as affect wages, hours, terms and conditions of employment, and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement. A public employee or exclusive representative may raise a legitimate complaint or file a grievance based on the collective bargaining agreement.

SECTION 130.03. Section 611.03 of Am. Sub. H.B. 66 of the 126th General Assembly is hereby repealed.

SECTION 130.04. Existing sections 9.833, 9.90, 9.901, 3313.202, 3313.33, and 4117.03 of the Revised Code are hereby repealed.

SECTION 130.05. The Governor, the President of the Senate, and the Speaker of the House of Representatives each shall appoint one additional member to the School Employees Health Care Board created pursuant to section 9.901 of the Revised Code. The initial terms of these additional members as well as the terms of the three current members whose terms are scheduled to end in September 2007, shall be extended and shall end on December 31, 2008. The initial terms of the remaining six current members shall be extended and end on December 31, 2010. Thereafter, terms of office shall be as specified in section 9.901 of the Revised Code as it results from its amendment by this act.

SECTION 201.01. Except as otherwise provided in this act, all appropriation items in this act are appropriated out of any moneys in the state treasury to the credit of the designated fund that are not otherwise appropriated. For all appropriations made in this act, the amounts in the first column are for fiscal year 2008 and the amounts in the second column are for fiscal year 2009.

SECTION 203.10. ACC ACCOUNTANCY BOARD OF OHIO

General Services Fund Group

4J8 889-601	CPA Education Assistance	\$	325,000	\$	325,000
4K9 889-609	Operating Expenses	\$	1,092,246	\$	1,117,000
TOTAL GSF General Services Fund					
Group		\$	1,417,246	\$	1,442,000
TOTAL ALL BUDGET FUND GROUPS		\$	1,417,246	\$	1,442,000

SECTION 205.10. ADJ ADJUTANT GENERAL

General Revenue Fund

GRF 745-401	Ohio Military Reserve	\$	15,188	\$	15,188
GRF 745-404	Air National Guard	\$	2,246,005	\$	2,284,198
GRF 745-407	National Guard Benefits	\$	1,400,000	\$	1,400,000
GRF 745-409	Central Administration	\$	4,295,778	\$	4,460,069
GRF 745-499	Army National Guard	\$	5,064,836	\$	5,169,368
GRF 745-502	Ohio National Guard Unit	\$	102,973	\$	102,973
Fund					
TOTAL GRF General Revenue Fund		\$	13,124,780	\$	13,431,796

General Services Fund Group

534 745-612	Property	\$	534,304	\$	534,304
Operations/Management					
536 745-620	Camp Perry/Buckeye Inn	\$	1,202,970	\$	1,202,970
Operations					

537	745-604	Ohio National Guard Facility Maintenance	\$	269,826	\$	269,826
TOTAL GSF General Services Fund Group			\$	2,007,100	\$	2,007,100
Federal Special Revenue Fund Group						
3E8	745-628	Air National Guard Agreement	\$	14,100,000	\$	14,906,820
3R8	745-603	Counter Drug Operations	\$	25,000	\$	25,000
341	745-615	Air National Guard Base Security	\$	2,497,480	\$	2,729,939
342	745-616	Army National Guard Agreement	\$	10,146,178	\$	10,590,050
TOTAL FED Federal Special Revenue Fund Group			\$	26,768,658	\$	28,251,809
State Special Revenue Fund Group						
5U8	745-613	Community Match Armories	\$	220,000	\$	220,000
528	745-605	Marksmanship Activities	\$	128,600	\$	128,600
TOTAL SSR State Special Revenue Fund Group			\$	348,600	\$	348,600
TOTAL ALL BUDGET FUND GROUPS			\$	42,249,138	\$	44,039,305

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.

Of the foregoing appropriation item 745-409, Central Administration, up to \$60,000 in each fiscal year of unspent and unencumbered funds remaining after meeting all other obligations of this appropriation shall be used for a grant to the American Red Cross Greater Columbus Chapter to be distributed equally to the Ohio chapters in existence on the effective date of this section. The funds from this grant shall be used for the Armed Forces Emergency Services program of the American Red Cross in Ohio to support members of the military and their families. Upon distribution of the funds, the American Red Cross Greater Columbus Chapter shall report to the Adjutant General on the actual distribution to the various chapters and any

administrative costs associated with the distribution.

SECTION 207.10. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES

General Revenue Fund

GRF 100-403	Public School Employee Benefits	\$	1,425,000	\$	1,425,000
GRF 100-404	CRP Procurement Program	\$	255,000	\$	255,000
GRF 100-405	Agency Audit Expenses	\$	400,000	\$	400,000
GRF 100-406	County & University Human Resources Services	\$	875,000	\$	875,000
GRF 100-410	Veterans' Records Conversion	\$	46,170	\$	46,171
GRF 100-415	OAKS Rental Payments	\$	14,162,000	\$	14,165,000
GRF 100-418	Web Sites and Business Gateway	\$	3,270,473	\$	3,270,083
GRF 100-419	IT Security Infrastructure	\$	1,500,000	\$	1,500,000
GRF 100-421	OAKS Project Implementation	\$	375,000	\$	375,000
GRF 100-433	State of Ohio Computer Center	\$	5,092,502	\$	5,007,502
GRF 100-439	Equal Opportunity Certification Programs	\$	750,236	\$	750,236
GRF 100-447	OBA - Building Rent Payments	\$	112,294,800	\$	106,476,400
GRF 100-448	OBA - Building Operating Payments	\$	26,457,000	\$	27,303,000
GRF 100-449	DAS - Building Operating Payments	\$	3,769,510	\$	3,834,871
GRF 100-451	Minority Affairs	\$	52,927	\$	52,927
GRF 100-734	Major Maintenance - State Bldgs	\$	42,000	\$	42,000
GRF 102-321	Construction Compliance	\$	1,167,099	\$	1,167,099
GRF 130-321	State Agency Support Services	\$	5,495,163	\$	5,855,163
TOTAL GRF	General Revenue Fund	\$	177,429,880	\$	172,800,452

General Services Fund Group

112 100-616	DAS Administration	\$	5,299,427	\$	5,299,427
115 100-632	Central Service Agency	\$	860,878	\$	928,403
117 100-644	General Services Division - Operating	\$	8,295,772	\$	8,540,772
122 100-637	Fleet Management	\$	2,182,968	\$	2,032,968
125 100-622	Human Resources Division - Operating	\$	19,890,614	\$	20,560,614
128 100-620	Collective Bargaining	\$	3,464,533	\$	3,662,534
130 100-606	Risk Management Reserve	\$	2,568,548	\$	2,568,548
131 100-639	State Architect's Office	\$	7,348,483	\$	7,544,164
132 100-631	DAS Building Management	\$	9,716,228	\$	10,166,228
133 100-607	IT Services Delivery	\$	92,539,887	\$	75,847,949
188 100-649	Equal Opportunity Division - Operating	\$	847,409	\$	884,650
201 100-653	General Services Resale Merchandise	\$	1,553,000	\$	1,553,000
210 100-612	State Printing	\$	5,681,421	\$	5,436,421

Am. Sub. H. B. No. 119

1474

229	100-630	IT Governance	\$	17,108,546	\$	17,108,546
4N6	100-617	Major IT Purchases	\$	7,495,719	\$	7,495,719
4P3	100-603	DAS Information Services	\$	4,793,190	\$	4,958,218
427	100-602	Investment Recovery	\$	5,683,564	\$	5,683,564
5C2	100-605	MARCS Administration	\$	11,069,291	\$	11,069,291
5C3	100-608	Skilled Trades	\$	934,982	\$	934,982
5D7	100-621	Workforce Development	\$	70,000	\$	0
5EB	100-635	OAKS Support Organization	\$	19,132,671	\$	19,132,671
5L7	100-610	Professional Development	\$	3,900,000	\$	3,900,000
5V6	100-619	Employee Educational Development	\$	936,129	\$	936,129
5X3	100-634	Centralized Gateway Enhancement	\$	974,023	\$	974,023
TOTAL GSF General Services Fund Group			\$	232,347,283	\$	217,218,821
TOTAL ALL BUDGET FUND GROUPS			\$	409,777,163	\$	390,019,273

SECTION 207.10.10. PUBLIC SCHOOL EMPLOYEE BENEFITS

The foregoing appropriation item 100-403, Public School Employee Benefits, shall be used by the School Employees Health Care Board to hire staff to provide administrative support to the Board and other lawful uses of said fund as prescribed under section 9.901 of the Revised Code. This section succeeds Section 203.12.02 of Am. Sub. H.B. 66 of the 126th General Assembly.

SECTION 207.10.20. AGENCY AUDIT EXPENSES

The foregoing appropriation item 100-405, Agency Audit Expenses, shall be used for auditing expenses designated in division (A)(1) of section 117.13 of the Revised Code for those state agencies audited on a biennial basis.

SECTION 207.10.30. OAKS RENTAL PAYMENTS

The foregoing appropriation item 100-415, OAKS Rental Payments, shall be used for payments for the period from July 1, 2007, through June 30, 2009, pursuant to leases and agreements entered into under Chapter 125. of the Revised Code, as supplemented by Section 403.10 of Am. Sub. H.B. 530 of the 126th General Assembly with respect to financing the costs associated with the acquisition, development, installation, and implementation of the Ohio Administrative Knowledge System. If it is determined that additional appropriations are necessary for this purpose, the amounts are hereby appropriated.

SECTION 207.10.40. BUILDING RENT PAYMENTS

The foregoing appropriation item 100-447, OBA - Building Rent Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Department of Administrative Services to the Ohio Building Authority pursuant to leases and agreements under Chapter 152. of the Revised Code. These appropriations are the source of funds pledged for bond service charges on obligations issued pursuant to Chapter 152. of the Revised Code.

The foregoing appropriation item 100-448, OBA - Building Operating Payments, shall be used to meet all payments at the times that they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Department of Administrative Services to the Ohio Building Authority pursuant to leases and agreements under Chapter 152. of the Revised Code, but limited to the aggregate amount of \$53,760,000.

The payments to the Ohio Building Authority are for the purpose of paying the expenses of agencies that occupy space in the various state facilities. The Department of Administrative Services may enter into leases and agreements with the Ohio Building Authority providing for the payment of these expenses. The Ohio Building Authority shall report to the Department of Administrative Services and the Office of Budget and Management not later than five months after the start of a fiscal year the actual expenses incurred by the Ohio Building Authority in operating the facilities and any balances remaining from payments and rentals received in the prior fiscal year. The Department of Administrative Services shall reduce subsequent payments by the amount of the balance reported to it by the Ohio Building Authority.

SECTION 207.10.50. DAS - BUILDING OPERATING PAYMENTS

The foregoing appropriation item 100-449, DAS - Building Operating Payments, shall be used to pay the rent expenses of veterans organizations pursuant to section 123.024 of the Revised Code in fiscal years 2008 and 2009.

The foregoing appropriation item, 100-449, DAS - Building Operating Payments, may be used to provide funding for the cost of property appraisals or building studies that the Department of Administrative Services may be required to obtain for property that is being sold by the state or property under consideration to be renovated or purchased by the state.

Notwithstanding section 125.28 of the Revised Code, the remaining portion of the appropriation may be used to pay the operating expenses of state facilities maintained by the Department of Administrative Services that are not billed to building tenants. These expenses may include, but are not limited to, the costs for vacant space and space undergoing renovation, and the rent expenses of tenants that are relocated due to building renovations. These payments shall be processed by the Department of Administrative Services through intrastate transfer vouchers and placed in the Building Management Fund (Fund 132).

SECTION 207.10.60. CENTRAL SERVICE AGENCY FUND

The Department of Administrative Services shall not allocate annual costs for maintaining an automated application for the professional licensing boards and for the costs of supporting licensing functions in excess of the amounts supported by licensing and registration fees established for fiscal year 2007. 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).

SECTION 207.10.70. ELIMINATION OF THE VEHICLE LIABILITY FUND ASSETS

(A) Effective July 1, 2007, the Vehicle Liability Fund (Fund 127) is abolished and its functions, assets, and liabilities are transferred to the Risk Management Reserve Fund (Fund 130). The Risk Management Reserve Fund is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the Vehicle Liability Fund.

Any business commenced but not completed with regard to the Vehicle Liability Fund on July 1, 2007, shall be completed with regard to the Risk Management Reserve Fund, in the same manner, and with the same effect, as if completed with regard to the Vehicle Liability Fund. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer and shall be administered with regard to the Risk Management Reserve Fund. All of the rules, orders, and determinations associated with the Vehicle Liability Fund continue in effect as rules, orders, and determinations associated with the Risk Management Reserve Fund, until modified or rescinded by the Director of Administrative Services. If necessary to ensure the integrity of the Administrative Code, the Director of the Legislative Service Commission shall renumber the rules relating to the Vehicle Liability Fund to reflect its transfer to the Risk Management

Reserve Fund.

(B) Employees paid from the Vehicle Liability Fund shall be transferred to the Risk Management Reserve Fund or dismissed. Employees paid from the Vehicle Liability Fund so dismissed cease to hold their positions of employment on July 1, 2007.

(C) No judicial or administrative action or proceeding by which the Vehicle Liability Fund is affected that is pending on July 1, 2007, is affected by the transfer of functions under division (A) of this section. The action or proceeding shall be prosecuted or defended on behalf of the Risk Management Reserve Fund and the Risk Management Reserve Fund upon application to the court or agency shall be substituted for the Vehicle Liability Fund as affected by the action or proceeding.

(D) On and after July 1, 2007, when the Vehicle Liability Fund is referred to in any statute, rule, contract, grant, or other document, the reference is hereby deemed to refer to the Risk Management Reserve Fund.

SECTION 207.10.80. TRANSFER OF VEHICLE LIABILITY FUND ASSETS

On and after July 1, 2007, notwithstanding any provision to the contrary, the Director of Budget and Management is authorized to take the actions and effectuate the budget changes made necessary by administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds required for the transfer of the Vehicle Liability Fund Assets to the Risk Management Reserve Fund. The Director of Budget and Management may make any transfer of cash balances between funds. At the request of the Director of Budget and Management, the Director of Administrative Services shall certify to the Director of Budget and Management an estimate of the amount of the Vehicle Liability Fund cash balance to be transferred to the Risk Management Reserve Fund. The Director of Budget and Management may transfer the estimated amount when needed to make payments. Not more than thirty days after certifying the estimated amount, the Director of Administrative Services shall certify the final amount to the Director of Budget and Management. The Director of Budget and Management shall transfer the difference between any amount previously transferred and the certified final amount. The Director of Budget and Management may cancel encumbrances and re-establish encumbrances or parts of encumbrances of the Vehicle Liability Fund as needed in fiscal year 2008 in the Risk Management Reserve Fund for the same purposes. The appropriation authority necessary to re-establish such encumbrances in fiscal year 2008, as determined by the Director of Budget and Management,

in appropriation item 100-606, Risk Management Reserve, is hereby appropriated. When re-established encumbrances or parts of re-established encumbrances of the Vehicle Liability Fund are canceled, the Director of Budget and Management shall reduce the appropriation for appropriation item 100-606, Risk Management Reserve, by the amount of the encumbrances canceled. The amounts canceled are hereby authorized. Any fiscal year 2007 unencumbered or unallotted appropriation for appropriation item 100-627, Vehicle Liability Insurance, may be transferred to appropriation item 100-606, Risk Management Reserve, to be used for the same purposes, as determined by the Director of Budget and Management. The amounts transferred are hereby appropriated.

SECTION 207.10.90. COLLECTIVE BARGAINING ARBITRATION EXPENSES

With approval of the Director of Budget and Management, the Department of Administrative Services may seek reimbursement from state agencies for the actual costs and expenses the department incurs in the collective bargaining arbitration process. The reimbursements shall be processed through intrastate transfer vouchers and placed in the Collective Bargaining Fund (Fund 128).

SECTION 207.20.10. EQUAL OPPORTUNITY PROGRAM

The Department of Administrative Services, with the approval of the Director of Budget and Management, shall establish charges for recovering the costs of administering the activities supported by the State EEO Fund (Fund 188). These charges shall be deposited to the credit of the State EEO Fund (Fund 188) upon payment made by state agencies, state-supported or state-assisted institutions of higher education, and tax-supported agencies, municipal corporations, and other political subdivisions of the state, for services rendered.

SECTION 207.20.20. MERCHANDISE FOR RESALE

The foregoing appropriation item 100-653, General Services Resale Merchandise, shall be used to account for merchandise for resale, which is administered by the General Services Division. Deposits to the fund may comprise the cost of merchandise for resale and shipping fees.

SECTION 207.20.30. DAS INFORMATION SERVICES

There is hereby established in the State Treasury the DAS Information Services Fund. The foregoing appropriation item 100-603, DAS Information Services, shall be used to pay the costs of providing information systems and services in the Department of Administrative Services.

The Department of Administrative Services shall establish user charges for all information systems and services that are allowable in the statewide indirect cost allocation plan submitted annually to the United States Department of Health and Human Services. These charges shall comply with federal regulations and shall be deposited to the credit of the DAS Information Services Fund (Fund 4P3).

SECTION 207.20.40. INVESTMENT RECOVERY FUND

Notwithstanding division (B) of section 125.14 of the Revised Code, cash balances in the Investment Recovery Fund (Fund 427) may be used to support the operating expenses of the Federal Surplus Operating Program created in sections 125.84 to 125.90 of the Revised Code.

Notwithstanding division (B) of section 125.14 of the Revised Code, cash balances in the Investment Recovery Fund may be used to support the operating expenses of the Asset Management Services Program, including, but not limited to, the cost of establishing and maintaining procedures for inventory records for state property as described in section 125.16 of the Revised Code.

Of the foregoing appropriation item 100-602, Investment Recovery, up to \$2,271,209 in fiscal year 2008 and up to \$2,353,372 in fiscal year 2009 shall be used to pay the operating expenses of the State Surplus Property Program, the Surplus Federal Property Program, and the Asset Management Services Program under Chapter 125. of the Revised Code and this section. If additional appropriations are necessary for the operations of these programs, the Director of Administrative Services shall seek increased appropriations from the Controlling Board under section 131.35 of the Revised Code.

Of the foregoing appropriation item 100-602, Investment Recovery, \$3,412,355 in fiscal year 2008 and \$3,330,192 in fiscal year 2009 shall be used to transfer proceeds from the sale of surplus property from the Investment Recovery Fund to non-General Revenue Funds under division (A)(2) of section 125.14 of the Revised Code. If it is determined by the Director of Administrative Services that additional appropriations are necessary for the transfer of such sale proceeds, the Director of Administrative Services may request the Director of Budget and Management to increase the amounts. Such amounts are hereby

appropriated.

Notwithstanding division (B) of section 125.14 of the Revised Code, the Director of Budget and Management, at the request of the Director of Administrative Services, shall transfer up to \$500,000 of the amounts held for transfer to the General Revenue Fund from the Investment Recovery Fund to the State Architect's Fund (Fund 131) to provide operating cash.

SECTION 207.20.50. MULTI-AGENCY RADIO COMMUNICATIONS SYSTEM

Effective with the implementation of the Multi-Agency Radio Communications System, the State Chief Information Officer shall collect user fees from participants in the system. The State Chief Information Officer, with the advice of the Multi-Agency Radio Communications System Steering Committee and the Director of Budget and Management, shall determine the amount of the fees and the manner by which the fees shall be collected. Such user charges shall comply with the applicable cost principles issued by the federal Office of Management and Budget. All moneys from user charges and fees shall be deposited in the state treasury to the credit of the Multi-Agency Radio Communications System Administration Fund (Fund 5C2), which is hereby established in the state treasury. All interest income derived from the investment of the fund shall accrue to the fund.

SECTION 207.20.60. WORKFORCE DEVELOPMENT FUND

There is hereby established in the state treasury the Workforce Development Fund (Fund 5D7). The foregoing appropriation item 100-621, Workforce Development, shall be used to make payments from the fund. The fund shall be under the supervision of the Department of Administrative Services, which may adopt rules with regard to administration of the fund. The fund shall be used to pay the costs of any remaining obligations of the Workforce Development Program, in accordance with Article 37 of the contract between the State of Ohio and OCSEA/AFSCME, Local 11, abolished effective March 1, 2006. These costs include, but are not limited to, remaining grant obligations, payments for tuition reimbursement, contracted services and general overhead, and any settlement costs associated with the Statewide Cost Allocation Program (SWCAP). The program shall be administered in accordance with the contract. Revenues shall accrue to the fund as specified in the contract. The fund may be used to pay direct and indirect costs of the program that are attributable to staff,

consultants, and service providers. All income derived from the investment of the fund shall accrue to the fund.

If it is determined by the Director of Administrative Services that additional appropriation amounts are necessary, the Director of Administrative Services may request that the Director of Budget and Management increase such amounts. Such amounts are hereby appropriated.

SECTION 207.20.70. OAKS SUPPORT ORGANIZATION

The foregoing appropriation item 100-635, OAKS Support Organization, shall be used by the Office of Information Technology to support the operating costs associated with the implementation and maintenance of the state's enterprise resource planning system, OAKS, consistent with its responsibilities under this section and Chapters 125. and 126. of the Revised Code. The OAKS Support Organization shall operate and maintain the human capital management and financial management modules of the state's enterprise resource planning system to support statewide human resources and financial management activities administered by the Department of Administrative Services' human resources division and the Office of Budget and Management. The OAKS Support Organization shall recover the costs to establish, operate, and maintain the OAKS system through intrastate transfer voucher billings to the Department of Administrative Services and the Office of Budget and Management. Effective July 1, 2007, the Department of Administrative Services, with the approval of the Director of Budget and Management, shall include the recovery of the costs of administering the human capital management module of the OAKS System within the human resources services payroll rate. These revenues shall be deposited to the credit of the Human Resources Services Fund (Fund 125). Amounts deposited under this section are hereby appropriated to appropriation item 100-622, Human Resources Division-Operating. Not less than quarterly, the Department of Administrative Services shall process the intrastate transfer billings to transfer cash from the Human Resources Services Fund (Fund 125) to the OAKS Support Organization Fund (Fund 5EB) to pay for the OAKS Support Organization costs.

SECTION 207.20.80. PROFESSIONAL DEVELOPMENT FUND

The foregoing appropriation item 100-610, Professional Development, shall be used to make payments from the Professional Development Fund (Fund 5L7) under section 124.182 of the Revised Code.

SECTION 207.20.90. EMPLOYEE EDUCATIONAL DEVELOPMENT

There is hereby established in the state treasury the Employee Educational Development Fund (Fund 5V6). The foregoing appropriation item 100-619, Employee Educational Development, shall be used to make payments from the fund. The fund shall be used to pay the costs of the administration of educational programs per existing collective bargaining agreements with District 1199, the Health Care and Social Service Union; State Council of Professional Educators; Ohio Education Association and National Education Association; the Fraternal Order of Police Ohio Labor Council, Unit 2; and the Ohio State Troopers Association, Units 1 and 15. The fund shall be under the supervision of the Department of Administrative Services, which may adopt rules with regard to administration of the fund. The fund shall be administered in accordance with the applicable sections of the collective bargaining agreements between the State and the aforementioned unions. The Department of Administrative Services, with the approval of the Director of Budget and Management, shall establish charges for recovering the costs of administering the educational programs. Receipts for these charges shall be deposited into the Employee Educational Development Fund. All income derived from the investment of the funds shall accrue to the fund.

If it is determined by the Director of Administrative Services that additional appropriation amounts are necessary, the Director of Administrative Services may request that the Director of Budget and Management increase such amounts. Such amounts are hereby appropriated with the approval of the Director of Budget and Management.

SECTION 207.30.10. CENTRALIZED GATEWAY ENHANCEMENTS FUND

(A) As used in this section, "Ohio Business Gateway" refers to the internet-based system operated by the Office of Information Technology with the advice of the Ohio Business Gateway Steering Committee established under section 5703.57 of the Revised Code. The Ohio Business Gateway is established to provide businesses a central web site where various filings and payments are submitted on-line to government. The information is then distributed to the various government entities that interact with the business community.

(B) As used in this section:

(1) "State Portal" refers to the official web site of the state, operated by

the Office of Information Technology.

(2) "Shared Hosting Environment" refers to the computerized system operated by the Office of Information Technology for the purpose of providing capability for state agencies to host web sites.

(C) There is hereby created in the state treasury the Centralized Gateway Enhancements Fund (Fund 5X3). The foregoing appropriation item 100-634, Centralized Gateway Enhancements, shall be used by the Office of Information Technology to pay the costs of enhancing, expanding, and operating the infrastructure of the Ohio Business Gateway, State Portal, and Shared Hosting Environment. The State Chief Information Officer shall submit periodic spending plans to the Director of Budget and Management to justify operating transfers to the fund from the General Revenue Fund. Upon approval, the Director of Budget and Management shall transfer approved amounts to the fund, not to exceed the amount of the annual appropriation in each fiscal year. The spending plans may be based on the recommendations of the Ohio Business Gateway Steering Committee or its successor.

SECTION 207.30.20. MAJOR IT PURCHASES

The State Chief Information Officer shall compute the amount of revenue attributable to the amortization of all equipment purchases and capitalized systems from appropriation item 100-607, IT Service Delivery; appropriation item 100-617, Major IT Purchases; and appropriation item CAP-837, Major IT Purchases, which is recovered by the Office of Information Technology as part of the rates charged by the IT Service Delivery Fund (Fund 133) created in section 125.15 of the Revised Code. The Director of Budget and Management may transfer cash in an amount not to exceed the amount of amortization computed from the IT Service Delivery Fund (Fund 133) to the Major IT Purchases Fund (Fund 4N6).

SECTION 207.30.30. INFORMATION TECHNOLOGY ASSESSMENT

The State Chief Information Officer, with the approval of the Director of Budget and Management, may establish an information technology assessment for the purpose of recovering the cost of selected infrastructure and statewide programs. Such assessment shall comply with applicable cost principles issued by the federal Office of Management and Budget. The information technology assessment shall be charged to all organized bodies, offices, or agencies established by the laws of the state for the exercise of any function of state government except for the General Assembly, any

legislative agency, the Supreme Court, the other courts of record in Ohio, or any judicial agency, the Adjutant General, the Bureau of Workers' Compensation, and institutions administered by a board of trustees. Any state-entity exempted by this section may utilize the infrastructure or statewide program by participating in the information technology assessment. All charges for the information technology assessment shall be deposited to the credit of the IT Governance Fund (Fund 229).

SECTION 207.30.40. MULTI-AGENCY RADIO COMMUNICATION SYSTEM DEBT SERVICE PAYMENTS

The Director of Administrative Services, in consultation with the Multi-Agency Radio Communication System (MARCS) Steering Committee and the Director of Budget and Management, shall determine the share of debt service payments attributable to spending for MARCS components that are not specific to any one agency and that shall be charged to agencies supported by the motor fuel tax. Such share of debt service payments shall be calculated for MARCS capital disbursements made beginning July 1, 1997. Within thirty days of any payment made from appropriation item 100-447, OBA - Building Rent Payments, the Director of Administrative Services shall certify to the Director of Budget and Management the amount of this share. The Director of Budget and Management shall transfer such amounts to the General Revenue Fund from the State Highway Safety Fund (Fund 036) established in section 4501.06 of the Revised Code.

The State Chief Information Officer shall consider renting or leasing existing tower sites at reasonable or current market rates, so long as these existing sites are equipped with the technical capabilities to support the MARCS project.

SECTION 207.30.50. DIRECTOR'S DECLARATION OF PUBLIC EXIGENCY

Whenever the Director of Administrative Services declares a "public exigency," as provided in division (C) of section 123.15 of the Revised Code, the Director shall also notify the members of the Controlling Board.

SECTION 207.30.60. GENERAL SERVICE CHARGES

The Department of Administrative Services, with the approval of the Director of Budget and Management, shall establish charges for recovering

the costs of administering the programs in the General Services Fund (Fund 117) and the State Printing Fund (Fund 210).

SECTION 207.30.70. STATE ENERGY SERVICES PROGRAM

Within 30 days after the effective date of this section, or as soon possible thereafter, the Director of Administrative Services shall certify the remaining cash in the Federal Special Revenue Fund (Fund 307) to the Director of Budget and Management, who shall transfer that amount to the State Architect's Office (Fund 131). The cash shall be used to operate the state's energy services program.

Within thirty days after the effective date of this section, or as soon as possible thereafter, the Director of Administrative Services shall certify the remaining cash in the Energy Grants Fund (Fund 5A8) to the Director of Budget and Management, who shall transfer that amount to the State Architect's Office (Fund 131). The cash shall be used to operate the state's energy services program.

SECTION 207.30.80. FEDERAL GRANTS OGRIP

As soon as possible on or after July 1, 2007, the Director of Budget and Management may transfer cash in the amount of \$15,072.03 from the Federal Grants OGRIP Fund (Fund 3H6) to the General Revenue Fund.

SECTION 209.10. AAM COMMISSION ON AFRICAN AMERICAN MALES

General Revenue Fund

GRF 036-100	Personal Services	\$	235,091	\$	235,091
GRF 036-200	Maintenance	\$	29,000	\$	29,000
GRF 036-300	Equipment	\$	1,000	\$	1,000
GRF 036-502	Community Projects	\$	516,909	\$	1,016,909
TOTAL GRF General Revenue Fund		\$	782,000	\$	1,282,000

State Special Revenue Fund Group

4H3 036-601	Commission on African American Males - Gifts/Grants	\$	10,000	\$	10,000
TOTAL SSR State Special Revenue Fund Group		\$	10,000	\$	10,000

TOTAL ALL BUDGET FUND GROUPS		\$	792,000	\$	1,292,000
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CAAM STRATEGIC PLAN

The Commission on African American Males shall develop a strategic plan to accomplish the tasks put forth in section 4112.13 of the Revised Code.

On January 1, 2008, or as soon as possible thereafter, the Director of the Commission on African American Males shall submit a strategic plan for the use of \$500,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 to the Governor, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

Not later than June 30, 2009, the Commission on African American Males shall submit a report on the impacts and outcomes of the strategic plan to the Governor, the President of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

FUND TRANSFERS

(A) All moneys appropriated or reappropriated to the Ohio Commission on African-American Males for the performance of its duties, powers, obligations, and functions, and the exercise of rights, that are transferred by this act to the Ohio State University, to the extent of the remaining unexpended or unencumbered balance of the appropriations or reappropriations, whether obligated or unobligated, are hereby transferred, effective October 1, 2007, to the University for performing the duties, powers, obligations, and functions, and exercising the rights of the University in operating and overseeing the Commission.

(B) On and after October 1, 2007, notwithstanding any provision of law to the contrary, the Director of Budget and Management is authorized to take the actions described in this section with respect to budget changes made necessary by administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds as authorized by this act. The Director may make any transfer of cash balances between funds. At the request of the Director of Budget and Management, the Board of Trustees of the Ohio State University shall certify to the Director an estimate of the amount of the cash balance to be transferred to the receiving fund. The Director may transfer the estimated amount when needed to make payments. Not more than thirty days after certifying the estimated amount, the Board of Trustees shall certify the final amount to the Director. The Director shall transfer the difference between any amount previously transferred and the certified final amount. The Director may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in the fiscal year in the appropriate fund and appropriation line item for the same purpose and to the same vendor. As determined by the Director, the appropriation authority necessary to re-establish such encumbrances in the fiscal year in a different fund or appropriation line item

within an agency or between agencies is hereby appropriated by the General Assembly. The Director shall reduce each year's appropriation balances by the amount of the encumbrance canceled in their respective funds and appropriation line item. Any unencumbered or unallocated appropriation balances from the previous fiscal year may be transferred to the appropriate appropriation line item to be used for the same purposes, as determined by the Director.

SECTION 211.10. JCR JOINT COMMITTEE ON AGENCY RULE REVIEW

General Revenue Fund

GRF 029-321	Operating Expenses	\$	397,000	\$	403,000
TOTAL GRF General Revenue Fund		\$	397,000	\$	403,000
TOTAL ALL BUDGET FUND GROUPS		\$	397,000	\$	403,000

OPERATING

The Chief Administrative Officer of the House of Representatives and the Clerk of the Senate shall determine, by mutual agreement, which of them shall act as fiscal agent for the Joint Committee on Agency Rule Review. Members of the Committee shall be paid in accordance with section 101.35 of the Revised Code.

OPERATING EXPENSES

On July 1, 2007, or as soon as possible thereafter, the designated fiscal agent shall certify to the Director of Budget and Management the total fiscal year 2007 unencumbered appropriations in appropriation item 029-321, Operating Expenses. The designated fiscal agent may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2007 unencumbered appropriations to fiscal year 2008 for use in appropriation item 029-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the designated fiscal agent is hereby appropriated to appropriation item 029-321, Operating Expenses, in fiscal year 2008.

On July 1, 2008, or as soon as possible thereafter, the designated fiscal agent shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 029-321, Operating Expenses. The designated fiscal agent may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2008 unencumbered appropriations to fiscal year 2009 for use in appropriation item 029-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the designated fiscal agent is hereby appropriated to appropriation item 029-321, Operating Expenses, in

fiscal year 2009.

SECTION 213.10. AGE DEPARTMENT OF AGING

General Revenue Fund

GRF 490-321	Operating Expenses	\$	2,637,571	\$	2,637,271
GRF 490-403	PASSPORT	\$	128,391,189	\$	158,196,465
GRF 490-406	Senior Olympics	\$	14,856	\$	14,856
GRF 490-409	Ohio Community Service Council Operations	\$	183,792	\$	183,792
GRF 490-410	Long-Term Care Ombudsman	\$	654,965	\$	654,965
GRF 490-411	Senior Community Services	\$	10,349,439	\$	10,349,439
GRF 490-412	Residential State Supplement	\$	9,156,771	\$	9,156,771
GRF 490-414	Alzheimers Respite	\$	4,131,594	\$	4,131,594
GRF 490-416	JCFS Community Options	\$	250,000	\$	250,000
GRF 490-421	PACE	\$	10,214,809	\$	10,214,809
GRF 490-422	Assisted Living Waiver	\$	12,554,940	\$	15,213,890
GRF 490-506	National Senior Service Corps	\$	335,296	\$	335,296
TOTAL GRF General Revenue Fund		\$	178,875,222	\$	211,339,148

General Services Fund Group

480 490-606	Senior Community Outreach and Education	\$	372,677	\$	372,677
TOTAL GSF General Services Fund Group		\$	372,677	\$	372,677

Federal Special Revenue Fund Group

3C4 490-607	PASSPORT	\$	301,767,486	\$	301,274,172
3C4 490-621	PACE-Federal	\$	14,586,135	\$	14,586,135
3C4 490-622	Assisted Living-Federal	\$	14,972,892	\$	21,810,442
3M4 490-612	Federal Independence Services	\$	62,406,819	\$	63,655,080
3R7 490-617	Ohio Community Service Council Programs	\$	8,870,000	\$	8,870,000
322 490-618	Federal Aging Grants	\$	10,000,000	\$	10,200,000
TOTAL FED Federal Special Revenue Fund Group		\$	412,603,332	\$	420,395,829

State Special Revenue Fund Group

4C4 490-609	Regional Long-Term Care Ombudsman Program	\$	935,000	\$	935,000
4J4 490-610	PASSPORT/Residential State Supplement	\$	33,491,930	\$	33,263,984
4U9 490-602	PASSPORT Fund	\$	4,424,969	\$	4,424,969
5AA 490-673	Ohio's Best Rx Administration	\$	1,184,154	\$	910,801
5BA 490-620	Ombudsman Support	\$	600,000	\$	600,000
5K9 490-613	Long Term Care Consumers Guide	\$	820,400	\$	820,400
5W1 490-616	Resident Services Coordinator Program	\$	330,000	\$	330,000
624 490-604	OCSC Community Support	\$	470,000	\$	470,000
TOTAL SSR State Special Revenue Fund Group		\$	42,256,453	\$	41,755,154
TOTAL ALL BUDGET FUND GROUPS		\$	634,107,684	\$	673,862,808

SECTION 213.20. PRE-ADMISSION REVIEW FOR NURSING FACILITY ADMISSION

Pursuant to an interagency agreement, the Department of Job and Family Services shall designate the Department of Aging to perform assessments under sections 173.42 and 5111.204 of the Revised Code. Of the foregoing appropriation item 490-403, PASSPORT, the Department of Aging may use not more than \$2,731,000 in fiscal year 2008 and \$2,813,000 in fiscal year 2009 to perform the assessments for persons not eligible for Medicaid under the department's interagency agreement with the Department of Job and Family Services and to assist individuals in planning for their long-term health care needs.

PASSPORT

Appropriation item 490-403, PASSPORT, and the amounts set aside for the PASSPORT Waiver Program in appropriation item 490-610, PASSPORT/Residential State Supplement, may be used to assess clients regardless of Medicaid eligibility.

The Director of Aging shall adopt rules under section 111.15 of the Revised Code governing the nonwaiver funded PASSPORT program, including client eligibility.

The Department of Aging shall administer the Medicaid waiver-funded PASSPORT Home Care Program as delegated by the Department of Job and Family Services in an interagency agreement. The foregoing appropriation item 490-403, PASSPORT, and the amounts set aside for the PASSPORT Waiver Program in appropriation item 490-610, PASSPORT/Residential State Supplement, shall be used to provide the required state match for federal Medicaid funds supporting the Medicaid Waiver-funded PASSPORT Home Care Program. Appropriation item 490-403, PASSPORT, and the amounts set aside for the PASSPORT Waiver Program in appropriation item 490-610, PASSPORT/Residential State Supplement, may also be used to support the Department of Aging's administrative costs associated with operating the PASSPORT program.

The foregoing appropriation item 490-607, PASSPORT, shall be used to provide the federal matching share for all PASSPORT program costs determined by the Department of Job and Family Services to be eligible for Medicaid reimbursement.

OHIO COMMUNITY SERVICE COUNCIL

The foregoing appropriation items 490-409, Ohio Community Service Council Operations, and 490-617, Ohio Community Service Council Programs, shall be used in accordance with section 121.40 of the Revised

Code.

LONG-TERM CARE OMBUDSMAN

The foregoing appropriation item 490-410, Long-Term Care Ombudsman, shall be used for a program to fund ombudsman program activities as authorized in sections 173.14 to 173.27 and section 173.99 of the Revised Code.

SENIOR COMMUNITY SERVICES

Of the foregoing appropriation item 490-411, Senior Community Services, \$10,299,439 in each fiscal year shall be used for services designated by the Department of Aging, including, but not limited to, home-delivered and congregate meals, transportation services, personal care services, respite services, adult day services, home repair, care coordination, and decision support systems. Service priority shall be given to low income, frail, and cognitively impaired persons 60 years of age and over. The department shall promote cost sharing by service recipients for those services funded with senior community services funds, including, when possible, sliding-fee scale payment systems based on the income of service recipients.

Of the foregoing appropriation item 490-411, Senior Community Services, \$50,000 in each fiscal year shall be allocated to the Eastlake Senior Center.

RESIDENTIAL STATE SUPPLEMENT

Under the Residential State Supplement Program, the amount used to determine whether a resident is eligible for payment and for determining the amount per month the eligible resident will receive shall be as follows:

(A) \$927 for a residential care facility, as defined in section 3721.01 of the Revised Code;

(B) \$927 for an adult group home, as defined in Chapter 3722. of the Revised Code;

(C) \$824 for an adult foster home, as defined in Chapter 173. of the Revised Code;

(D) \$824 for an adult family home, as defined in Chapter 3722. of the Revised Code;

(E) \$824 for an adult community alternative home, as defined in Chapter 3724. of the Revised Code;

(F) \$824 for an adult residential facility, as defined in Chapter 5119. of the Revised Code;

(G) \$618 for adult community mental health housing services, as defined in division (B)(5) of section 173.35 of the Revised Code.

The Departments of Aging and Job and Family Services shall reflect

these amounts in any applicable rules the departments adopt under section 173.35 of the Revised Code.

TRANSFER OF RESIDENTIAL STATE SUPPLEMENT APPROPRIATIONS

The Department of Aging may transfer cash by intrastate transfer vouchers from the foregoing appropriation items 490-412, Residential State Supplement, and 490-610, PASSPORT/Residential State Supplement, to the Department of Job and Family Services' Fund 4J5, Home and Community-Based Services for the Aged Fund. The funds shall be used to make benefit payments to Residential State Supplement recipients.

ALZHEIMERS RESPITE

The foregoing appropriation item 490-414, Alzheimers Respite, shall be used to fund only Alzheimer's disease services under section 173.04 of the Revised Code.

JCFS COMMUNITY OPTIONS

The foregoing appropriation item 490-416, JCFS Community Options, shall be used for noncapital expenses related to transportation services for the elderly that provide access to such things as healthcare services, congregate meals, socialization programs, and grocery shopping. The funds shall pass through and shall be administered by the Area Agencies on Aging. Agencies receiving funding from appropriation item 490-416, JCFS Community Options, shall coordinate services with other local service agencies. The appropriation shall be allocated to the following agencies:

- (A) \$80,000 in both fiscal years to Cincinnati Jewish Vocational Services;
- (B) \$70,000 in both fiscal years to Wexner Heritage Village;
- (C) \$20,000 in both fiscal years to Yassenoff Jewish Community Center;
- (D) \$80,000 in both fiscal years to Cleveland Jewish Community Center.

ALLOCATION OF PACE SLOTS

In order to effectively administer and manage growth within the PACE Program, the Director of Aging may, as the director deems appropriate and to the extent funding is available, allocate funds for the PACE Program between the PACE sites in Cleveland and Cincinnati.

OHIO'S BEST RX START-UP COSTS

An amount equal to the unencumbered balance in appropriation item 490-440, Ohio's Best Rx Start-up Costs, from fiscal year 2007 is hereby appropriated for fiscal year 2008 into appropriation item 490-440, Ohio's Best Rx Start-up Costs.

An amount equal to the remaining unencumbered balance in appropriation item 490-440, Ohio's Best Rx Start-Up Costs, from fiscal year 2008 is hereby appropriated for fiscal year 2009 into appropriation item 490-440, Ohio's Best Rx Start-Up Costs. The appropriation item 490-440, Ohio's Best Rx Start-Up Costs, shall be used by the Department of Aging to pay for the administrative and operational expenses of the Ohio's Best Rx Program in accordance with sections 173.71 to 173.91 of the Revised Code, including costs associated with the duties assigned by the department to the Ohio's Best Rx Program Administrator and for making payments to participating terminal distributors until sufficient cash exists to make payments from the accounts created in sections 173.85 and 173.86 of the Revised Code. Of appropriation item 490-440, Ohio's Best Rx Start-Up Costs, not more than \$750,000 in each fiscal year may be used by the department for administrative and operational costs, excluding outreach, that are not associated with the Ohio's Best Rx Program Administrator or the payments to participating terminal distributors.

EDUCATION AND TRAINING

The foregoing appropriation item 490-606, Senior Community Outreach and Education, may be used to provide training to workers in the field of aging pursuant to division (G) of section 173.02 of the Revised Code.

REGIONAL LONG-TERM CARE OMBUDSMAN PROGRAM

The foregoing appropriation item 490-609, Regional Long-Term Care Ombudsman Program, shall be used solely to pay the costs of operating the regional long-term care ombudsman programs designated by the Long-Term Care Ombudsman.

PASSPORT/RESIDENTIAL STATE SUPPLEMENT

Of the foregoing appropriation item 490-610, PASSPORT/Residential State Supplement, up to \$2,835,000 each fiscal year may be used to fund the Residential State Supplement Program. The remaining available funds shall be used to fund the PASSPORT program.

FEDERAL SUPPORTIVE SERVICES FUND

On July 1, 2007, as soon as possible thereafter, the Director of Budget and Management shall transfer all assets, liabilities, revenues, and obligations associated with the Federal Aging Nutrition Fund (Fund 3M3) to the Federal Supportive Services Fund (Fund 3M4). Upon the transfer, the Federal Aging Nutrition Fund (Fund 3M3) shall cease to exist. The Director of Budget and Management shall cancel any existing encumbrances against appropriation item 490-611, Federal Aging Nutrition Fund (Fund 3M3), and re-establish them against appropriation item 490-612, Federal Independence Services (Fund 3M4). The amounts of the re-established encumbrances are

hereby appropriated.

TRANSFER OF APPROPRIATIONS - FEDERAL INDEPENDENCE SERVICES AND FEDERAL AGING GRANTS

Upon written request of the Director of Aging, the Director of Budget and Management may transfer appropriation authority among appropriation items 490-612, Federal Independence Services, and 490-618, Federal Aging Grants, in amounts not to exceed 30 per cent of the appropriation from which the transfer is made. The Department of Aging shall report a transfer to the Controlling Board at the next regularly scheduled meeting of the board.

TRANSFER OF RESIDENT PROTECTION FUNDS

The Director of Budget and Management shall transfer \$600,000 per year in cash from Fund 4E3, Resident Protection Fund, in the Department of Job and Family Services, to Fund 5BA in the Department of Aging, to be used for the expansion of ombudsman services to enhance consumer involvement and person-centered care planning in nursing homes by the Office of the State Long-Term Care Ombudsman created by the Department of Aging under division (M) of section 173.01 of the Revised Code.

OHIO'S BEST RX ADMINISTRATION

The foregoing appropriation item 490-673, Ohio's Best Rx Administration, shall be used on an ongoing basis to cover expenses associated with the Ohio's Best Rx Program specified in section 173.86 of the Revised Code. If receipts to the fund exceed the appropriated amount, the Director of Aging may seek Controlling Board approval to increase the appropriation of this fund. Upon approval from the Controlling Board, the additional amounts are hereby appropriated.

SECTION 213.30. UNIFIED LONG-TERM CARE BUDGET WORKGROUP

(A) There is hereby created the Unified Long-Term Care Budget Workgroup. The Workgroup shall consist of the following members:

- (1) The Director of Aging;
- (2) Consumer advocates, representatives of the provider community, and state policy makers, appointed by the Governor;
- (3) Two members of the House of Representatives, one member from the majority party and one member from the minority party, appointed by the Speaker of the House of Representatives;
- (4) Two members of the Senate, one member from the majority party and one member from the minority party, appointed by the President of the Senate.

The Director of Aging shall serve as the chairperson of the Workgroup.

(B) The Workgroup shall develop a unified long-term care budget that facilitates the following:

(1) Providing a consumer a choice of services that meet the consumer's health care needs and improve the consumer's quality of life;

(2) Providing a continuum of services that meet the needs of a consumer throughout life;

(3) Consolidating policymaking authority and the associated budgets in a single entity to simplify the consumer's decision making and maximize the state's flexibility in meeting the consumer's needs;

(4) Assuring the state has a system that is cost effective and links disparate services across agencies and jurisdictions.

(C) The Workgroup shall submit a written implementation plan to the Governor, 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 members of the Joint Legislative Committee on Medicaid Technology and Reform not later than June 1, 2008. The plan shall incorporate the following:

(1) Recommendations regarding the structure of the unified long-term care budget;

(2) A plan outlining how funds can be transferred among involved agencies in a fiscally neutral manner;

(3) Identification of the resources needed to implement the unified budget in a multiphase approach starting in fiscal year 2009;

(4) Success criteria and tools to measure progress against the success criteria.

The plan shall consider the recommendations of the Medicaid Administrative Study Council and the Ohio Commission to Reform Medicaid.

(D) In support of the Unified Long-Term Care Budget the following shall be established in the General Revenue Fund:

(1) In the Department of Aging, 490-423, Long-Term Care Budget - State;

(2) In the Department of Job and Family Services, 600-435, Long-Term Care Budget - State;

(3) In the Department of Mental Retardation and Developmental Disabilities, 322-406, Long-Term Care Budget - State;

(4) In the Department of Mental Health, 335-411, Long-Term Care Budget - State.

(E) On an annual basis, the Directors of Aging and Budget and

Management shall submit a written 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 members of the Joint Legislative Committee on Medicaid Technology and Reform describing the progress towards establishing, or if already established, the effectiveness of the unified long-term care budget.

(F) When the Governor creates the administration described in section 309.30.03 of this act for the Medicaid program, the Director of Budget and Management may do all of the following in support of the Workgroup's proposal:

(1) Transfer funds and appropriations currently appropriated to pay for Medicaid services to any appropriation item referenced in division (D) of this section;

(2) Transfer funds between appropriation items referenced in division (D) of this section;

(3) Develop a reporting mechanism to transparently show how the funds are being transferred and expended.

The Director shall obtain Controlling Board approval before transferring funds or appropriations under division (F) of this section.

(G) Before a proposal for a unified long-term care budget may be implemented, the Joint Legislative Committee on Medicaid Technology and Reform shall approve implementation of the proposal and submit the Committee's approval to the Governor.

SECTION 215.10. AGR DEPARTMENT OF AGRICULTURE

General Revenue Fund

GRF 700-321	Operating Expenses	\$	2,605,330	\$	2,605,330
GRF 700-401	Animal Disease Control	\$	3,574,506	\$	3,574,506
GRF 700-403	Dairy Division	\$	1,304,504	\$	1,304,504
GRF 700-404	Ohio Proud	\$	196,895	\$	196,895
GRF 700-405	Animal Damage Control	\$	60,000	\$	60,000
GRF 700-406	Consumer Analytical Lab	\$	953,906	\$	953,906
GRF 700-407	Food Safety	\$	865,100	\$	865,100
GRF 700-409	Farmland Preservation	\$	241,573	\$	241,573
GRF 700-410	Plant Industry	\$	350,000	\$	350,000
GRF 700-411	International Trade and Market Development	\$	617,524	\$	617,524
GRF 700-412	Weights and Measures	\$	1,300,000	\$	1,300,000
GRF 700-413	Gypsy Moth Prevention	\$	200,000	\$	200,000
GRF 700-415	Poultry Inspection	\$	400,000	\$	400,000
GRF 700-418	Livestock Regulation Program	\$	1,428,496	\$	1,428,496
GRF 700-424	Livestock Testing and Inspections	\$	115,946	\$	115,946
GRF 700-499	Meat Inspection Program -	\$	4,696,889	\$	4,696,889

Am. Sub. H. B. No. 119

1496

	State Share			
GRF 700-501	County Agricultural Societies	\$	483,226	\$ 483,226
GRF 700-503	Livestock Exhibition Fund	\$	62,500	\$ 62,500
	TOTAL GRF General Revenue Fund	\$	19,456,395	\$ 19,456,395
General Services Fund Group				
5DA 700-644	Laboratory Administration Support	\$	1,100,000	\$ 1,100,000
	TOTAL GSF General Services Fund Group	\$	1,100,000	\$ 1,100,000
Federal Special Revenue Fund Group				
3AB 700-641	Agricultural Easement	\$	2,000,000	\$ 2,000,000
3J4 700-607	Indirect Cost	\$	600,000	\$ 600,000
3R2 700-614	Federal Plant Industry	\$	4,800,000	\$ 4,800,000
326 700-618	Meat Inspection Program - Federal Share	\$	4,960,000	\$ 4,950,000
336 700-617	Ohio Farm Loan Revolving Fund	\$	44,679	\$ 44,679
382 700-601	Cooperative Contracts	\$	3,700,000	\$ 3,700,000
	TOTAL FED Federal Special Revenue Fund Group	\$	16,104,679	\$ 16,094,679
State Special Revenue Fund Group				
4C9 700-605	Feed, Fertilizer, Seed, and Lime Inspection	\$	1,850,000	\$ 1,850,000
4D2 700-609	Auction Education	\$	24,601	\$ 24,601
4E4 700-606	Utility Radiological Safety	\$	73,059	\$ 73,059
4P7 700-610	Food Safety Inspection	\$	858,096	\$ 858,096
4R2 700-637	Dairy Industry Inspection	\$	1,500,000	\$ 1,500,000
4T6 700-611	Poultry and Meat Inspection	\$	47,294	\$ 47,294
4T7 700-613	International Trade and Market Development	\$	15,000	\$ 15,000
494 700-612	Agricultural Commodity Marketing Program	\$	250,000	\$ 250,000
496 700-626	Ohio Grape Industries	\$	850,000	\$ 849,999
497 700-627	Commodity Handlers Regulatory Program	\$	500,000	\$ 500,000
5B8 700-629	Auctioneers	\$	365,390	\$ 365,390
5H2 700-608	Metrology Lab and Scale Certification	\$	427,526	\$ 427,526
5L8 700-604	Livestock Management Program	\$	30,000	\$ 30,000
578 700-620	Ride Inspection Fees	\$	1,000,000	\$ 1,000,001
652 700-634	Animal and Consumer Analytical Laboratory	\$	3,000,000	\$ 3,000,000
669 700-635	Pesticide Program	\$	2,800,000	\$ 2,800,000
	TOTAL SSR State Special Revenue Fund Group	\$	13,590,966	\$ 13,590,966
Clean Ohio Conservation Fund Group				
057 700-632	Clean Ohio Agricultural Easement	\$	149,000	\$ 149,000
	TOTAL CLF Clean Ohio Conservation Fund Group	\$	149,000	\$ 149,000
	TOTAL ALL BUDGET FUND GROUPS	\$	50,401,040	\$ 50,391,040
OHIO - ISRAEL AGRICULTURAL INITIATIVE				

Of the foregoing General Revenue Fund appropriation item 700-411, International Trade and Market Development, \$100,000 shall be used in each fiscal year for the Ohio - Israel Agricultural Initiative.

COUNTY AGRICULTURAL SOCIETIES

The foregoing appropriation item 700-501, County Agricultural Societies, shall be used to reimburse county and independent agricultural societies for expenses related to Junior Fair activities.

LIVESTOCK EXHIBITION FUND

The foregoing appropriation item 700-503, Livestock Exhibition Fund, shall be used in accordance with section 901.42 of the Revised Code.

CORRECTIVE CASH TRANSFER TO ANIMAL HEALTH AND FOOD SAFETY FUND

On the effective date of this section, or as soon as possible thereafter, the Director of Budget and Management may transfer all cash from the Animal Industry Laboratory Fund (Fund 4V5) to the Laboratory Services Fund (Fund 652) to correct deposits that were mistakenly deposited to the Laboratory Services Fund (Fund 4V5).

SECTION 217.10. AIR AIR QUALITY DEVELOPMENT AUTHORITY

General Revenue Fund

GRF 898-402	Coal Development Office	\$	565,097	\$	589,092
GRF 898-901	Coal R&D General Obligation	\$	7,232,400	\$	8,192,500
	Debt Service				
TOTAL GRF	General Revenue Fund	\$	7,797,497	\$	8,781,592

General Services Fund Group

5EG 898-608	Energy Strategy Development	\$	307,000	\$	307,000
TOTAL GSF	General Services Fund	\$	307,000	\$	307,000

Agency Fund Group

4Z9 898-602	Small Business Ombudsman	\$	287,146	\$	294,290
5A0 898-603	Small Business Assistance	\$	71,087	\$	71,087
570 898-601	Operating Expenses	\$	255,000	\$	264,000
TOTAL AGY	Agency Fund Group	\$	613,233	\$	629,377

Coal Research/Development Fund

046 898-604	Coal Research and Development Fund	\$	10,000,000	\$	10,000,000
TOTAL 046	Coal Research/Development Fund	\$	10,000,000	\$	10,000,000
TOTAL ALL BUDGET FUND GROUPS		\$	18,717,730	\$	19,717,969

COAL DEVELOPMENT OFFICE

The foregoing appropriation item GRF 898-402, Coal Development Office, shall be used for the administrative costs of the Coal Development Office.

COAL RESEARCH AND DEVELOPMENT GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item GRF 898-901, Coal R & D General Obligation Debt Service, shall be used to pay all debt service and related financing costs at the times they are required to be made during the period from July 1, 2007 to June 30, 2009 for obligations issued under sections 151.01 and 151.07 of the Revised Code.

SCIENCE AND TECHNOLOGY COLLABORATION

The Air Quality Development Authority shall work in close collaboration with the Department of Development, the Board of Regents, and the Third Frontier Commission in relation to appropriation items and programs referred to as Alignment Programs in the following paragraph, and other technology-related appropriations and programs in the Department of Development, Air Quality Development Authority, and the Board of Regents as those agencies may designate, to ensure implementation of a coherent state strategy with respect to science and technology.

To the extent permitted by law, the Air Quality Development Authority shall assure that coal research and development programs, proposals, and projects consider or incorporate appropriate collaborations with Third Frontier Project programs and grantees and with Alignment Programs and grantees.

"Alignment Programs" means: appropriation items 195-401, Thomas Edison Program; 898-402, Coal Development Office; 195-422, Third Frontier Action Fund; 898-604, Coal Research and Development Fund; 235-433, Economic Growth Challenge; 235-508, Air Force Institute of Technology; 235-510, Ohio Supercomputer Center; 235-451, Eminent Scholars; 235-527, Ohio Aerospace Institute; 235-535, Ohio Agricultural Research and Development Center; 235-553, Dayton Area Graduate Studies Institute; 235-554, Priorities in Collaborative Graduate Education; 235-556, Ohio Academic Resources Network; and 195-435, Biomedical Research and Technology Transfer Trust.

Consistent with the recommendations of the Governor's Commission on Higher Education and the Economy, Alignment Programs shall be managed and administered (1) to build on existing competitive research strengths, (2) to encourage new and emerging discoveries and commercialization of ideas and products that will benefit the Ohio economy, and (3) to assure improved collaboration among Alignment Programs, with programs administered by the Third Frontier Commission, and with other state programs that are intended to improve economic growth and job creation.

As directed by the Third Frontier Commission, Alignment Program managers shall report to the Commission or to the Third Frontier Advisory Board on the contributions of their programs to achieving the objectives

stated in the preceding paragraph.

Each alignment program shall be reviewed annually by the Third Frontier Commission with respect to its development of complementary relationships within a combined state science and technology investment portfolio and its overall contribution to the state's science and technology strategy, including the adoption of appropriately consistent criteria for: (1) the scientific merit of activities supported by the program; (2) the relevance of the program's activities to commercial opportunities in the private sector; (3) the private sector's involvement in a process that continually evaluates commercial opportunities to use the work supported by the program; and (4) the ability of the program and recipients of grant funding from the program to engage in activities that are collaborative, complementary, and efficient with respect to the expenditure of state funds. Each alignment program shall provide annual reports to the Third Frontier Commission discussing existing, planned, or possible collaborations between programs and recipients of grant funding related to technology, development, commercialization, and supporting Ohio's economic development. The annual review by the Third Frontier Commission shall be a comprehensive review of the entire state science and technology program portfolio rather than a review of individual programs.

Applicants for Third Frontier and Alignment Program funding shall identify their requirements for high-performance computing facilities and services, including both hardware and software, in all proposals. If an applicant's requirements exceed approximately \$100,000 for a proposal, the Ohio Supercomputer Center shall convene a panel of experts. The panel shall review the proposal to determine whether the proposal's requirements can be met through Ohio Supercomputer Center facilities or through other means and report its conclusion to the Third Frontier Commission.

To ensure that the state receives the maximum benefit from its investment in the Third Frontier Project and the Third Frontier Network, organizations receiving Third Frontier awards and Alignment Program awards shall, as appropriate, be expected to have a connection to the Third Frontier Network that enables them and their collaborators to achieve award objectives through the Third Frontier Network.

CORRECTIVE CASH TRANSFER

On the effective date of this section, or as soon as possible thereafter, the Director of Budget and Management may transfer \$35,555.35 in cash from the General Revenue Fund (GRF) into the Coal Research and Development Bond Services Fund (Fund 076) to correct deposits that were mistakenly deposited into the General Revenue Fund (GRF).

**SECTION 219.10. ADA DEPARTMENT OF ALCOHOL AND DRUG
ADDICTION SERVICES**

General Revenue Fund

GRF 038-321	Operating Expenses	\$	1,071,861	\$	1,071,861
GRF 038-401	Treatment Services	\$	38,661,063	\$	41,661,063
GRF 038-404	Prevention Services	\$	1,052,127	\$	1,552,127
TOTAL GRF General Revenue Fund		\$	40,785,051	\$	44,285,051

General Services Fund

5T9 038-616	Problem Gambling Services	\$	285,000	\$	285,000
TOTAL GSF General Services Fund Group		\$	285,000	\$	285,000

Federal Special Revenue Fund Group

3G3 038-603	Drug Free Schools	\$	3,500,000	\$	3,500,000
3G4 038-614	Substance Abuse Block Grant	\$	73,000,000	\$	73,000,000
3H8 038-609	Demonstration Grants	\$	7,093,075	\$	7,093,075
3J8 038-610	Medicaid	\$	46,000,000	\$	46,000,000
3N8 038-611	Administrative Reimbursement	\$	500,000	\$	500,000
TOTAL FED Federal Special Revenue Fund Group		\$	130,093,075	\$	130,093,075

State Special Revenue Fund Group

475 038-621	Statewide Treatment and Prevention	\$	18,000,000	\$	18,000,000
5BR 038-406	Tobacco Use Prevention and Control Program	\$	205,000	\$	205,000
5DH 038-620	Fetal Alcohol Spectrum Disorder	\$	327,500	\$	327,500
689 038-604	Education and Conferences	\$	350,000	\$	350,000
TOTAL SSR State Special Revenue Fund Group		\$	18,882,500	\$	18,882,500
TOTAL ALL BUDGET FUND GROUPS		\$	190,045,626	\$	193,545,626

TREATMENT SERVICES

Of the foregoing appropriation item 038-401, Treatment Services, not more than \$8,190,000 shall be used by the Department of Alcohol and Drug Addiction Services for program grants for priority populations in each year of the biennium.

**SUBSTANCE ABUSE SERVICES FOR FAMILIES OF AT RISK
CHILDREN**

Of the foregoing appropriation item 038-401, Treatment Services, \$4 million in each fiscal year shall be used to provide substance abuse services to families involved in the child welfare system under the requirements of Am. Sub. H.B. 484 of the 122nd General Assembly.

THERAPEUTIC COMMUNITIES

Of the foregoing appropriation item 038-401, Treatment Services, \$750,000 shall be used in each fiscal year for the Therapeutic Communities Program in the Department of Rehabilitation and Correction.

JUVENILE AFTERCARE PROGRAM

Of the foregoing appropriation item 038-401, Treatment Services, \$2,500,000 shall be used in fiscal year 2009 for the Juvenile Aftercare Program to provide community-based alcohol and other drug treatment to parolees from the Department of Youth Services.

Of the foregoing appropriation item 038-401, Treatment Services, \$5 million in each fiscal year shall be used for TANF-eligible expenses for substance abuse and treatment services to children or their families whose income is at or below 200 per cent of the federal poverty level.

PERFORMANCE AUDIT

The Auditor of State shall complete a performance audit of the Department of Alcohol and Drug Addiction Services. Upon completing the performance audit, the Auditor of State shall submit a report of the findings of the audit to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Director of Alcohol and Drug Addiction Services. Expenses incurred by the Auditor of State to conduct the performance audit shall be reimbursed by the Department of Alcohol and Drug Addiction Services.

INTERNAL REVIEW

The Director of Alcohol and Drug Addiction Services shall consult with the Director of Budget and Management and representatives of local and county alcohol and drug addiction services agencies to conduct an internal review of policies and procedures to increase efficiency and identify and eliminate duplicative practices. Any savings identified as a result of the internal review or the performance audit conducted by the Auditor of State shall be used for community-based care.

The Director of Alcohol and Drug Addiction Services shall seek Controlling Board approval before expending any funds identified as a result of the internal review or the performance audit.

SECTION 221.10. ARC STATE BOARD OF EXAMINERS OF ARCHITECTS

General Services Fund Group			
4K9 891-609 Operating Expenses	\$	638,110	\$ 565,141
TOTAL GSF General Services Fund Group	\$	638,110	\$ 565,141
TOTAL ALL BUDGET FUND GROUPS	\$	638,110	\$ 565,141

**SECTION 223.10. ART OHIO ARTS COUNCIL
General Revenue Fund**

Am. Sub. H. B. No. 119

1502

GRF 370-100	Personal Services	\$	1,798,235	\$	1,798,235
GRF 370-200	Maintenance	\$	459,746	\$	459,746
GRF 370-300	Equipment	\$	82,700	\$	82,700
GRF 370-502	State Program Subsidies	\$	10,147,480	\$	10,147,480
TOTAL GRF General Revenue Fund		\$	12,488,161	\$	12,488,161
General Services Fund Group					
4B7 370-603	Percent for Art Acquisitions	\$	86,366	\$	86,366
460 370-602	Management Expenses and Donations	\$	285,000	\$	285,000
TOTAL GSF General Services Fund Group		\$	371,366	\$	371,366
Federal Special Revenue Fund Group					
314 370-601	Federal Support	\$	800,000	\$	800,000
TOTAL FED Federal Special Revenue Fund Group		\$	800,000	\$	800,000
TOTAL ALL BUDGET FUND GROUPS		\$	13,659,527	\$	13,659,527

PROGRAM SUBSIDIES

A museum is not eligible to receive funds from appropriation item 370-502, State Program Subsidies, if \$8,000,000 or more in capital appropriations were appropriated by the state for the museum between January 1, 1986, and December 31, 2002.

SECTION 225.10. ATH ATHLETIC COMMISSION

General Services Fund Group

4K9 175-609	Operating Expenses	\$	255,850	\$	255,850
TOTAL GSF General Services Fund Group		\$	255,850	\$	255,850
TOTAL ALL BUDGET FUND GROUPS		\$	255,850	\$	255,850

SECTION 227.10. AGO ATTORNEY GENERAL

General Revenue Fund

GRF 055-321	Operating Expenses	\$	54,063,833	\$	54,007,332
GRF 055-411	County Sheriffs' Pay Supplement	\$	813,117	\$	842,134
GRF 055-415	County Prosecutors' Pay Supplement	\$	896,404	\$	923,888
TOTAL GRF General Revenue Fund		\$	55,773,354	\$	55,773,354

General Services Fund Group

106 055-612	General Reimbursement	\$	29,870,196	\$	29,870,196
195 055-660	Workers' Compensation Section	\$	8,002,720	\$	8,002,720
4Y7 055-608	Title Defect Rescission	\$	750,000	\$	750,000
4Z2 055-609	BCI Asset Forfeiture and Cost Reimbursement	\$	1,000,000	\$	1,000,000
418 055-615	Charitable Foundations	\$	6,919,850	\$	7,064,978
420 055-603	Attorney General Antitrust	\$	1,500,000	\$	1,500,000
421 055-617	Police Officers' Training Academy Fee	\$	2,000,000	\$	2,000,000
5A9 055-618	Telemarketing Fraud Enforcement	\$	7,500	\$	7,500

Am. Sub. H. B. No. 119

1503

590	055-633	Peace Officer Private Security Fund	\$	98,370	\$	98,370
629	055-636	Corrupt Activity Investigation and Prosecution	\$	15,000	\$	15,000
631	055-637	Consumer Protection Enforcement	\$	2,500,000	\$	2,500,000
TOTAL GSF General Services Fund Group			\$	52,663,636	\$	52,808,764
Federal Special Revenue Fund Group						
3E5	055-638	Attorney General Pass-Through Funds	\$	2,850,000	\$	3,030,000
3R6	055-613	Attorney General Federal Funds	\$	4,870,000	\$	5,115,000
306	055-620	Medicaid Fraud Control	\$	3,139,500	\$	3,296,500
381	055-611	Civil Rights Legal Service	\$	402,540	\$	402,540
383	055-634	Crime Victims Assistance	\$	16,000,000	\$	16,000,000
TOTAL FED Federal Special Revenue Fund Group			\$	27,262,040	\$	27,844,040
State Special Revenue Fund Group						
4L6	055-606	DARE	\$	3,927,962	\$	3,927,962
402	055-616	Victims of Crime	\$	34,000,000	\$	34,000,000
419	055-623	Claims Section	\$	25,000,000	\$	25,000,000
659	055-641	Solid and Hazardous Waste Background Investigations	\$	621,159	\$	621,159
TOTAL SSR State Special Revenue Fund Group			\$	63,549,121	\$	63,549,121
Holding Account Redistribution Fund Group						
R04	055-631	General Holding Account	\$	1,000,000	\$	1,000,000
R05	055-632	Antitrust Settlements	\$	1,000	\$	1,000
R18	055-630	Consumer Frauds	\$	750,000	\$	750,000
R42	055-601	Organized Crime Commission Distributions	\$	25,025	\$	25,025
TOTAL 090 Holding Account Redistribution Fund Group			\$	1,776,025	\$	1,776,025
TOTAL ALL BUDGET FUND GROUPS			\$	201,024,176	\$	201,751,304

COUNTY SHERIFFS' PAY SUPPLEMENT

The foregoing appropriation item 055-411, County Sheriffs' Pay Supplement, shall be used for the purpose of supplementing the annual compensation of county sheriffs as required by section 325.06 of the Revised Code.

At the request of the Attorney General, the Director of Budget and Management may transfer appropriation authority from appropriation item 055-321, Operating Expenses, to appropriation item 055-411, County Sheriffs' Pay Supplement. Any appropriation authority so transferred to appropriation item 055-411, County Sheriffs' Pay Supplement, shall be used to supplement the annual compensation of county sheriffs as required by section 325.06 of the Revised Code.

COUNTY PROSECUTORS' PAY SUPPLEMENT

The foregoing appropriation item 055-415, County Prosecutors' Pay Supplement, shall be used for the purpose of supplementing the annual compensation of certain county prosecutors as required by section 325.111 of the Revised Code.

At the request of the Attorney General, the Director of Budget and Management may transfer appropriation authority from appropriation item 055-321, Operating Expenses, to appropriation item 055-415, County Prosecutors' Pay Supplement. Any appropriation authority so transferred to appropriation item 055-415, County Prosecutors' Pay Supplement, shall be used to supplement the annual compensation of county prosecutors as required by section 325.111 of the Revised Code.

WORKERS' COMPENSATION SECTION

The Workers' Compensation Section Fund (Fund 195) is entitled to receive payments from the Bureau of Workers' Compensation and the Ohio Industrial Commission at the beginning of each quarter of each fiscal year to fund legal services to be provided to the Bureau of Workers' Compensation and the Ohio Industrial Commission during the ensuing quarter. The advance payment shall be subject to adjustment.

In addition, the Bureau of Workers' Compensation shall transfer payments at the beginning of each quarter for the support of the Workers' Compensation Fraud Unit.

All amounts shall be mutually agreed upon by the Attorney General, the Bureau of Workers' Compensation, and the Ohio Industrial Commission.

CORRUPT ACTIVITY INVESTIGATION AND PROSECUTION

The foregoing appropriation item 055-636, Corrupt Activity Investigation and Prosecution, shall be used as provided by division (D)(2) of section 2923.35 of the Revised Code to dispose of the proceeds, fines, and penalties credited to the Corrupt Activity Investigation and Prosecution Fund, which is created in division (D)(1)(b) of section 2923.35 of the Revised Code.

GENERAL HOLDING ACCOUNT

The foregoing appropriation item 055-631, General Holding Account, shall be used to distribute moneys under the terms of relevant court orders received from settlements in a variety of cases involving the Office of the Attorney General.

ATTORNEY GENERAL PASS-THROUGH FUNDS

The foregoing appropriation item 055-638, Attorney General Pass-Through Funds, shall be used to receive federal grant funds provided to the Attorney General by other state agencies, including, but not limited to, the Department of Youth Services and the Department of Public Safety.

ANTITRUST SETTLEMENTS

The foregoing appropriation item 055-632, Antitrust Settlements, shall be used to distribute court-ordered antitrust settlements in which the Office of Attorney General represents the state or a political subdivision under section 109.81 of the Revised Code.

CONSUMER FRAUDS

The foregoing appropriation item 055-630, Consumer Frauds, shall be used for distribution of moneys from court-ordered judgments against sellers in actions brought by the Office of Attorney General under sections 1334.08 and 4549.48 and division (B) of section 1345.07 of the Revised Code. These moneys shall be used to provide restitution to consumers victimized by the fraud that generated the court-ordered judgments.

ORGANIZED CRIME COMMISSION DISTRIBUTIONS

The foregoing appropriation item 055-601, Organized Crime Commission Distributions, shall be used by the Organized Crime Investigations Commission, as provided by section 177.011 of the Revised Code, to reimburse political subdivisions for the expenses the political subdivisions incur when their law enforcement officers participate in an organized crime task force.

BCI ASSET FORFEITURE AND COST REIMBURSEMENT

The Bureau of Criminal Identification and Investigation Asset Forfeiture and Cost Reimbursement Fund created by section 109.521 of the Revised Code is the same fund as the BCI Asset Forfeiture and Cost Reimbursement Fund created by the Controlling Board in January 1997.

FUND ADJUSTMENTS

On July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management shall transfer the cash balance in the Employment Services Fund (Fund 107) to the General Reimbursement Fund (Fund 106). The Director shall cancel any existing encumbrances against appropriation item 055-624, Employment Services, and re-establish them against appropriation item 055-612, General Reimbursement. The amounts of the re-established encumbrances are hereby appropriated. Upon completion of these transfers, the Employment Services Fund (Fund 107) is hereby abolished.

On July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management shall transfer the cash balance in the Crime Victims Compensation Fund (Fund 108) to the Reparations Fund (Fund 402). Upon completion of this transfer, the Crime Victims Compensation Fund (Fund 108) is hereby abolished.

SECTION 229.10. AUD AUDITOR OF STATE

General Revenue Fund

GRF 070-321	Operating Expenses	\$	31,469,552	\$	32,771,482
GRF 070-403	Fiscal Watch/Emergency Technical Assistance	\$	600,000	\$	600,000
TOTAL GRF General Revenue Fund		\$	32,069,552	\$	33,371,482

Auditor of State Fund Group

109 070-601	Public Audit Expense - Intra-State	\$	11,000,000	\$	11,000,000
422 070-601	Public Audit Expense - Local Government	\$	33,000,000	\$	34,000,000
584 070-603	Training Program	\$	181,250	\$	181,250
675 070-605	Uniform Accounting Network	\$	3,317,336	\$	3,317,336
TOTAL AUD Auditor of State Fund Group		\$	47,498,586	\$	48,498,586
TOTAL ALL BUDGET FUND GROUPS		\$	79,568,138	\$	81,870,068

FISCAL WATCH/EMERGENCY TECHNICAL ASSISTANCE

The foregoing appropriation item 070-403, Fiscal Watch/Emergency Technical Assistance, shall be used for 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 2008 is transferred to fiscal year 2009 for use under the same appropriation item.

UNIFORM ACCOUNTING NETWORK/TECHNOLOGY IMPROVEMENTS FUND TRANSFER

Upon the request of the Auditor of State, and subject to approval from the Controlling Board, effective July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer the appropriation balance in GRF appropriation item 070-406, Uniform Accounting Network/Technology Improvements Fund, to GRF appropriation item 070-321, Operating Expenses. The Director shall cancel any existing encumbrances against GRF appropriation item 070-406, Uniform Accounting Network/Technology Improvement Fund, and

re-establish them against GRF appropriation item 070-321, Operating Expenses. The amounts of the re-established encumbrances are hereby appropriated.

SECTION 231.10. BRB BOARD OF BARBER EXAMINERS

General Services Fund Group

4K9 877-609 Operating Expenses	\$	608,045	\$	628,264
TOTAL GSF General Services Fund Group	\$	608,045	\$	628,264
TOTAL ALL BUDGET FUND GROUPS	\$	608,045	\$	628,264

SECTION 233.10. OBM OFFICE OF BUDGET AND MANAGEMENT

General Revenue Fund

GRF 042-321 Budget Development and Implementation	\$	2,026,011	\$	2,128,284
GRF 042-410 National Association Dues	\$	28,700	\$	29,561
GRF 042-412 Audit of Auditor of State	\$	60,460	\$	60,460
GRF 042-413 Payment Issuance	\$	1,191,802	\$	1,150,192
GRF 042-416 Medicaid Agency Transition	\$	0	\$	1,500,000
TOTAL GRF General Revenue Fund	\$	3,306,973	\$	4,868,497

General Services Fund Group

105 042-603 State Accounting and Budgeting	\$	12,115,134	\$	12,742,551
TOTAL GSF General Services Fund Group	\$	12,115,134	\$	12,742,551

Federal Special Revenue Fund Group

3CM 042-606 Medicaid Agency Transition	\$	0	\$	1,500,000
TOTAL FED Federal Special Revenue Fund Group	\$	0	\$	1,500,000

State Special Revenue Fund Group

5N4 042-602 OAKS Project Implementation	\$	2,200,725	\$	2,132,168
TOTAL SSR State Special Revenue Fund Group	\$	2,200,725	\$	2,132,168

Agency Fund Group

5EH 042-604 Forgery Recovery	\$	35,000	\$	35,000
TOTAL AGY Agency Fund Group	\$	35,000	\$	35,000
TOTAL ALL BUDGET FUND GROUPS	\$	17,657,832	\$	21,278,216

AUDIT COSTS

Of the foregoing appropriation item 042-603, State Accounting and Budgeting, not more than \$435,000 in fiscal year 2008 and \$445,000 in fiscal year 2009 shall be used to pay for centralized audit costs associated with either Single Audit Schedules or financial statements prepared in conformance with generally accepted accounting principles for the state.

SECTION 233.20. OAKS SUPPORT ORGANIZATION

The OAKS Support Organization shall operate and maintain the financial management module of the state's enterprise resource planning system to support the activities of the Office of Budget and Management. The OAKS Support Organization shall recover the costs to establish and maintain the enterprise resource planning system through billings to the Office of Budget and Management.

Effective July 1, 2007, the Office of Budget Management shall include the recovery of costs to administer the financial module of the OAKS System in the accounting and budgeting services payroll rate. These revenues shall be deposited to the credit of the Accounting and Budgeting Services Fund (Fund 105). Amounts deposited under this section are hereby appropriated to appropriation item 042-603, State Accounting and Budgeting. Not less than quarterly, the Office of Budget and Management shall process the intrastate transfer voucher billings to transfer the Accounting and Budgeting Services Fund (Fund 105) to the OAKS Support Organization Fund (Fund 5EB), to pay for the OAKS Support Organization Costs.

TRANSFER BALANCE OF CONTINUOUS RECEIPTS FUND

On or before July 31, 2007, the unencumbered cash balance in the Continuous Receipts Fund (Fund R06) shall be transferred to the Forgery Recovery Fund (Fund 5EH).

SECTION 235.10. CSR CAPITOL SQUARE REVIEW AND ADVISORY BOARD

General Revenue Fund

GRF 874-100	Personal Services	\$	2,057,000	\$	2,057,000
GRF 874-320	Maintenance and Equipment	\$	1,085,837	\$	1,080,837
TOTAL GRF General Revenue Fund		\$	3,142,837	\$	3,137,837

General Services Fund Group

4G5 874-603	Capitol Square Education Center and Arts	\$	15,000	\$	15,000
4S7 874-602	Statehouse Gift Shop/Events	\$	650,484	\$	650,484
TOTAL GSF General Services Fund Group		\$	665,484	\$	665,484

Underground Parking Garage

208 874-601	Underground Parking Garage Operations	\$	2,706,993	\$	2,706,993
TOTAL UPG Underground Parking Garage		\$	2,706,993	\$	2,706,993
TOTAL ALL BUDGET FUND GROUPS		\$	6,515,314	\$	6,510,314

**SECTION 237.10. SCR STATE BOARD OF CAREER COLLEGES
AND SCHOOLS**

General Services Fund Group

4K9 233-601	Operating Expenses	\$	552,300	\$	572,700
TOTAL GSF General Services Fund Group		\$	552,300	\$	572,700
TOTAL ALL BUDGET FUND GROUPS		\$	552,300	\$	572,700

**SECTION 239.10. CDP CHEMICAL DEPENDENCY
PROFESSIONALS BOARD**

General Services Fund Group

4K9 930-609	Operating Expenses	\$	530,864	\$	551,146
TOTAL GSF General Services Fund Group		\$	530,864	\$	551,146
TOTAL ALL BUDGET FUND GROUPS		\$	530,864	\$	551,146

SECTION 241.10. CHR STATE CHIROPRACTIC BOARD

General Services Fund Group

4K9 878-609	Operating Expenses	\$	607,445	\$	621,621
TOTAL GSF General Services Fund Group		\$	607,445	\$	621,621
TOTAL ALL BUDGET FUND GROUPS		\$	607,445	\$	621,621

SECTION 243.10. CIV OHIO CIVIL RIGHTS COMMISSION

General Revenue Fund

GRF 876-321	Operating Expenses	\$	7,415,134	\$	7,097,134
TOTAL GRF General Revenue Fund		\$	7,415,134	\$	7,097,134

Federal Special Revenue Fund Group

334 876-601	Investigations	\$	3,965,507	\$	4,602,185
TOTAL FED Federal Special Revenue Fund Group		\$	3,965,507	\$	4,602,185

State Special Revenue Fund Group

217 876-604	Operations Support	\$	60,000	\$	60,000
TOTAL SSR State Special Revenue Fund Group		\$	60,000	\$	60,000
TOTAL ALL BUDGET FUND GROUPS		\$	11,440,641	\$	11,759,319

OPERATING EXPENSES

Of the foregoing appropriation item 876-321, Operating Expenses, at least \$318,000 in fiscal year 2008 is to be used to purchase computer and information technology equipment.

SECTION 245.10. COM DEPARTMENT OF COMMERCE

General Revenue Fund

GRF 800-410	Labor and Worker Safety	\$	2,132,396	\$	2,132,396
Total GRF General Revenue Fund		\$	2,132,396	\$	2,132,396
General Services Fund Group					
163 800-620	Division of Administration	\$	4,323,037	\$	4,413,037
163 800-637	Information Technology	\$	6,650,150	\$	6,780,963
5F1 800-635	Small Government Fire Departments	\$	300,000	\$	300,000
543 800-602	Unclaimed Funds-Operating	\$	7,880,468	\$	8,049,937
543 800-625	Unclaimed Funds-Claims	\$	70,000,000	\$	75,000,000
TOTAL GSF General Services Fund Group		\$	89,153,655	\$	94,543,937
Federal Special Revenue Fund Group					
348 800-622	Underground Storage Tanks	\$	195,008	\$	195,008
348 800-624	Leaking Underground Storage Tanks	\$	1,850,000	\$	1,850,000
TOTAL FED Federal Special Revenue Fund Group		\$	2,045,008	\$	2,045,008
State Special Revenue Fund Group					
4B2 800-631	Real Estate Appraisal Recovery	\$	35,000	\$	35,000
4H9 800-608	Cemeteries	\$	273,465	\$	273,465
4X2 800-619	Financial Institutions	\$	2,474,414	\$	2,523,918
5K7 800-621	Penalty Enforcement	\$	50,000	\$	50,000
544 800-612	Banks	\$	6,516,507	\$	6,703,253
545 800-613	Savings Institutions	\$	2,244,370	\$	2,286,616
546 800-610	Fire Marshal	\$	13,104,393	\$	13,579,150
546 800-639	Fire Department Grants	\$	1,647,140	\$	1,647,140
546 800-640	Homeland Security Grants	\$	10,000	\$	10,000
547 800-603	Real Estate Education/Research	\$	250,000	\$	250,000
548 800-611	Real Estate Recovery	\$	50,000	\$	50,000
549 800-614	Real Estate	\$	3,480,038	\$	3,574,171
550 800-617	Securities	\$	4,312,453	\$	4,473,094
552 800-604	Credit Union	\$	3,521,037	\$	3,627,390
553 800-607	Consumer Finance	\$	5,800,445	\$	5,800,445
556 800-615	Industrial Compliance	\$	25,033,908	\$	25,570,011
6A4 800-630	Real Estate Appraiser-Operating	\$	664,006	\$	664,006
653 800-629	UST Registration/Permit Fee	\$	1,512,512	\$	1,467,160
TOTAL SSR State Special Revenue Fund Group		\$	70,979,688	\$	72,584,819
Liquor Control Fund Group					
043 800-601	Merchandising	\$	440,499,979	\$	464,027,015
043 800-627	Liquor Control Operating	\$	15,980,724	\$	16,334,583
043 800-633	Development Assistance Debt Service	\$	33,678,800	\$	38,616,800
043 800-636	Revitalization Debt Service	\$	12,620,900	\$	15,683,300
TOTAL LCF Liquor Control Fund Group		\$	502,780,403	\$	534,661,698
TOTAL ALL BUDGET FUND GROUPS		\$	667,091,150	\$	705,967,858

SMALL GOVERNMENT FIRE DEPARTMENTS

Notwithstanding section 3737.17 of the Revised Code, the foregoing appropriation item 800-635, Small Government Fire Departments, may be

used to provide loans to private fire departments.

UNCLAIMED FUNDS PAYMENTS

The foregoing appropriation item 800-625, Unclaimed Funds-Claims, shall be used to pay claims under section 169.08 of the Revised Code. If it is determined that additional amounts are necessary, the amounts are hereby appropriated.

UNCLAIMED FUNDS TRANSFERS

Notwithstanding division (A) of section 169.05 of the Revised Code, prior to June 30, 2008, and upon the request of the Director of Budget and Management, the Director of Commerce shall transfer to the General Revenue Fund up to \$29,275,000 of unclaimed funds that have been reported by holders of unclaimed funds under section 169.05 of the Revised Code, irrespective of the allocation of the unclaimed funds under that section.

Notwithstanding division (A) of section 169.05 of the Revised Code, prior to June 30, 2009, and upon the request of the Director of Budget and Management, the Director of Commerce shall transfer to the General Revenue Fund up to \$29,275,000 of unclaimed funds that have been reported by holders of unclaimed funds under section 169.05 of the Revised Code, irrespective of the allocation of the unclaimed funds under that section.

CASH TRANSFER TO GENERAL REVENUE FUND

Notwithstanding any other law to the contrary, the Director of Budget and Management shall transfer up to \$5,700,000 in cash in fiscal year 2008 and up to \$5,800,000 in cash in fiscal year 2009 from the State Fire Marshal Fund (Fund 546) to the General Revenue Fund.

FIRE DEPARTMENT GRANTS

Of the foregoing appropriation item 800-639, Fire Department Grants, up to \$760,000 in each fiscal year shall be used to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 if the volunteer fire department provides service for an area affected by a natural disaster. The grant program shall be administered by the Fire Marshal under the Department of Commerce. The Fire Marshal shall adopt rules as are necessary for the administration and operation of the grant program.

Of the foregoing appropriation item 800-639, Fire Department Grants, up to \$687,140 in each fiscal year shall be used as full or partial reimbursement to local units of government and fire departments for the cost of firefighter training and equipment or gear. Under rules that the department shall adopt, a local unit of government or fire department may apply to the department for a grant to cover all documented costs that are

incurred to provide firefighter training and equipment or gear. The department shall make grants within the limits of the funding provided, with priority given to fire departments that serve small villages and townships.

Of the foregoing appropriation item 800-639, Fire Department Grants, up to \$200,000 in each fiscal year shall be used to make grants to fire departments to assist in the conversion of existing data systems to the NFIRS 5 electronic fire reporting system. Under rules that the department shall adopt, awards shall have a maximum of \$50,000 per fire department and shall be based on a point system that includes factors such as consideration of the fire department's information technology and operating budgets, population and area served, number of incidents, data conversion and implementation methods, and readiness.

CASH TRANSFER TO REAL ESTATE OPERATING FUND

At the request of the Director of Commerce, the Director of Budget and Management may transfer up to \$100,000 in cash from the Real Estate Recovery Fund (Fund 548) and up to \$350,000 in cash from the Real Estate Appraiser Recovery Fund (Fund 4B2) to the Real Estate Operating Fund (Fund 549) during fiscal years 2008-2009.

INCREASED APPROPRIATION AUTHORITY - MERCHANDISING

The foregoing appropriation item 800-601, Merchandising, shall be used under section 4301.12 of the Revised Code. If it is determined that additional amounts are necessary, the amounts are hereby appropriated.

DEVELOPMENT ASSISTANCE DEBT SERVICE

The foregoing appropriation item 800-633, Development Assistance Debt Service, shall be used to pay debt service and related financing costs at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, for bond service charges on obligations issued under Chapter 166. of the Revised Code. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated, subject to the limitations set forth in section 166.11 of the Revised Code. An appropriation for this purpose is not required, but is made in this form and in this act for record purposes only.

REVITALIZATION DEBT SERVICE

The foregoing appropriation item 800-636, Revitalization Debt Service, shall be used to pay debt service and related financing costs under sections 151.01 and 151.40 of the Revised Code during the period from July 1, 2007, to June 30, 2009. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated. The General Assembly acknowledges the priority of the pledge of a portion of receipts from that source to obligations issued and to be issued under

Chapter 166. of the Revised Code.

ADMINISTRATIVE ASSESSMENTS

Notwithstanding any other provision of law to the contrary, Fund 163, Division of Administration, is entitled to receive assessments from all operating funds of the department in accordance with procedures prescribed by the Director of Commerce and approved by the Director of Budget and Management.

SECTION 247.10. OCC OFFICE OF CONSUMERS' COUNSEL

General Services Fund Group

5F5 053-601 Operating Expenses	\$	8,498,070	\$	8,498,070
TOTAL GSF General Services Fund Group	\$	8,498,070	\$	8,498,070
TOTAL ALL BUDGET FUND GROUPS	\$	8,498,070	\$	8,498,070

SECTION 249.10. CEB CONTROLLING BOARD

General Revenue Fund

GRF 911-404 Mandate Assistance	\$	650,000	\$	650,000
GRF 911-441 Ballot Advertising Costs	\$	300,000	\$	300,000
TOTAL GRF General Revenue Fund	\$	950,000	\$	950,000
TOTAL ALL BUDGET FUND GROUPS	\$	950,000	\$	950,000

DISASTER SERVICES FUND TRANSFERS TO THE EMERGENCY PURPOSES/CONTINGENCIES APPROPRIATION LINE ITEM

Notwithstanding any other provision of law to the contrary, the Director of Budget and Management may, with Controlling Board approval, transfer up to \$4,000,000 in cash, in each of fiscal years 2008 and 2009, from the Disaster Services Fund (Fund 5E2) to the General Revenue Fund. Upon completion of the transfer, the Director of Budget and Management shall appropriate the transferred amount to appropriation item 911-401, Emergency Purposes/Contingencies. The Controlling Board may, at the request of any state agency or the Director of Budget and Management, transfer all or part of the appropriation in appropriation item 911-401, Emergency Purposes/Contingencies, for the purpose of providing disaster and emergency situation aid to state agencies and political subdivisions in the event of disasters and emergency situations or for the other purposes noted in this section, including, but not limited to, costs related to the disturbance that occurred on April 11, 1993, at the Southern Ohio Correctional Facility in Lucasville, Ohio.

FEDERAL SHARE

In transferring appropriations to or from appropriation items that have federal shares identified in this act, the Controlling Board shall add or subtract corresponding amounts of federal matching funds at the percentages

indicated by the state and federal division of the appropriations in this act. Such changes are hereby appropriated.

DISASTER ASSISTANCE

Pursuant to requests submitted by the Department of Public Safety, the Controlling Board may approve transfers from appropriation item 911-401, Emergency Purposes/Contingencies, to Department of Public Safety appropriation items to provide funding for assistance to political subdivisions and individuals made necessary by natural disasters or emergencies. Such transfers may be requested and approved prior to or following the occurrence of any specific natural disasters or emergencies in order to facilitate the provision of timely assistance.

DISASTER SERVICES

Pursuant to requests submitted by the Department of Public Safety, the Controlling Board may approve transfers from the Disaster Services Fund (5E2) to a Department of Public Safety fund and appropriation item to provide for assistance to political subdivisions made necessary by natural disasters or emergencies. These transfers may be requested and approved prior to the occurrence of any specific natural disasters or emergencies in order to facilitate the provision of timely assistance. The Emergency Management Agency of the Department of Public Safety shall use the funding to fund the State Disaster Relief Program for disasters that have been declared by the Governor, and the State Individual Assistance Program for disasters that have been declared by the Governor and the federal Small Business Administration. The Ohio Emergency Management Agency shall publish and make available application packets outlining procedures for the State Disaster Relief Program and the State Individual Assistance Program.

The Disaster Services Fund (5E2) shall be used by the Controlling Board, pursuant to requests submitted by state agencies, to transfer cash and appropriation authority to any fund and appropriation item for the payment of state agency disaster relief program expenses for disasters declared by the Governor, if the Director of Budget and Management determines that sufficient funds exist.

The unencumbered balance of the Disaster Services Fund (5E2) at the end of fiscal year 2008 is transferred to fiscal year 2009 for use for the same purposes as in fiscal year 2009.

SOUTHERN OHIO CORRECTIONAL FACILITY COST

The Division of Criminal Justice Services in the Department of Public Safety and the Public Defender Commission may each request, upon approval of the Director of Budget and Management, additional funds from appropriation item 911-401, Emergency Purposes/Contingencies, for costs

related to the disturbance that occurred on April 11, 1993, at the Southern Ohio Correctional Facility in Lucasville, Ohio.

MANDATE ASSISTANCE

(A) The foregoing appropriation item 911-404, Mandate Assistance, shall be used to provide financial assistance to local units of government and school districts for the cost of the following two state mandates:

- (1) The cost to county prosecutors for prosecuting certain felonies that occur on the grounds of state institutions operated by the Department of Rehabilitation and Correction and the Department of Youth Services;
- (2) The cost to school districts of in-service training for child abuse detection.

(B) The Division of Criminal Justice Services in the Department of Public Safety and the Department of Education may prepare and submit to the Controlling Board one or more requests to transfer appropriations from appropriation item 911-404, Mandate Assistance. The state agencies charged with this administrative responsibility are listed below, as well as the estimated annual amounts that may be used for each program of state financial assistance.

PROGRAM	ADMINISTERING AGENCY	ESTIMATED ANNUAL AMOUNT
Prosecution Costs	Division of Criminal Justice Services	\$150,000
Child Abuse Detection Training Costs	Department of Education	\$500,000

(C) Subject to the total amount appropriated in each fiscal year for appropriation item 911-404, Mandate Assistance, the Division of Criminal Justice Services in the Department of Public Safety and the Department of Education may request from the Controlling Board that amounts smaller or larger than these estimated annual amounts be transferred to each program.

(D) In addition to making the initial transfers requested by the Division of Criminal Justice Services in the Department of Public Safety and the Department of Education, the Controlling Board may transfer appropriations received by a state agency under this section back to appropriation item 911-404, Mandate Assistance, or to the other program of state financial assistance identified under this section.

(E) It is expected that not all costs incurred by local units of government and school districts under each of the two programs of state financial assistance identified in this section will be fully reimbursed by the state. Reimbursement levels may vary by program and shall be based on: the

relationship between the appropriation transfers requested by the Division of Criminal Justice Services in the Department of Public Safety and the Department of Education and provided by the Controlling Board for each of the programs; the rules and procedures established for each program by the administering state agency; and the actual costs incurred by local units of government and school districts.

(F) Each of these programs of state financial assistance shall be carried out as follows:

(1) PROSECUTION COSTS

(a) Appropriations may be transferred to the Division of Criminal Justice Services in the Department of Public Safety to cover local prosecution costs for aggravated murder, murder, felonies of the first degree, and felonies of the second degree that occur on the grounds of institutions operated by the Department of Rehabilitation and Correction and the Department of Youth Services.

(b) Upon a delinquency filing in juvenile court or the return of an indictment for aggravated murder, murder, or any felony of the first or second degree that was committed at a Department of Youth Services or a Department of Rehabilitation and Correction institution, the affected county may, in accordance with rules that the Division of Criminal Justice Services in the Department of Public Safety shall adopt, apply to the Division of Criminal Justice Services for a grant to cover all documented costs that are incurred by the county prosecutor's office.

(c) Twice each year, the Division of Criminal Justice Services in the Department of Public Safety shall designate counties to receive grants from those counties that have submitted one or more applications in compliance with the rules that have been adopted by the Division of Criminal Justice Services for the receipt of such grants. In each year's first round of grant awards, if sufficient appropriations have been made, up to a total of \$100,000 may be awarded. In each year's second round of grant awards, the remaining appropriations available for this purpose may be awarded.

(d) If for a given round of grants there are insufficient appropriations to make grant awards to all the eligible counties, the first priority shall be given to counties with cases involving aggravated murder and murder; second priority shall be given to counties with cases involving a felony of the first degree; and third priority shall be given to counties with cases involving a felony of the second degree. Within these priorities, the grant awards shall be based on the order in which the applications were received, except that applications for cases involving a felony of the first or second degree shall not be considered in more than two consecutive rounds of grant

awards.

(2) CHILD ABUSE DETECTION TRAINING COSTS

Appropriations may be transferred to the Department of Education for disbursement to local school districts as full or partial reimbursement for the cost of providing in-service training for child abuse detection. In accordance with rules that the department shall adopt, a local school district may apply to the department for a grant to cover all documented costs that are incurred to provide in-service training for child abuse detection. The department shall make grants within the limits of the funding provided.

(G) Any moneys allocated within appropriation item 911-404, Mandate Assistance, not fully utilized may, upon application of the Ohio Public Defender Commission, and with the approval of the Controlling Board, be disbursed to boards of county commissioners to provide additional reimbursement for the costs incurred by counties in providing defense to indigent defendants pursuant to Chapter 120. of the Revised Code. Application for the unutilized funds shall be made by the Ohio Public Defender Commission at the first June meeting of the Controlling Board.

The amount to be disbursed to each county shall be allocated proportionately on the basis of the total amount of reimbursement paid to each county as a percentage of the amount of reimbursement paid to all of the counties during the most recent state fiscal year for which data is available and as calculated by the Ohio Public Defender Commission.

BALLOT ADVERTISING COSTS

Pursuant to requests submitted by the Ohio Ballot Board, the Controlling Board shall approve transfers from the foregoing appropriation item 911-441, Ballot Advertising Costs, to an Ohio Ballot Board appropriation item in order to reimburse county boards of elections for the cost of public notices associated with statewide ballot initiatives.

SECTION 251.10. COS STATE BOARD OF COSMETOLOGY

General Services Fund Group			
4K9 879-609	Operating Expenses	\$	3,533,679 \$ 3,533,679
TOTAL GSF General Services Fund			
Group		\$	3,533,679 \$ 3,533,679
TOTAL ALL BUDGET FUND GROUPS			
		\$	3,533,679 \$ 3,533,679

SECTION 253.10. CSW COUNSELOR, SOCIAL WORKER, AND MARRIAGE AND FAMILY THERAPIST BOARD

General Services Fund Group			
4K9 899-609	Operating Expenses	\$	1,124,267 \$ 1,179,774
TOTAL GSF General Services Fund			

Group	\$	1,124,267	\$	1,179,774
TOTAL ALL BUDGET FUND GROUPS	\$	1,124,267	\$	1,179,774

SECTION 255.10. CLA COURT OF CLAIMS

General Revenue Fund

GRF 015-321 Operating Expenses	\$	2,758,681	\$	2,841,441
TOTAL GRF General Revenue Fund	\$	2,758,681	\$	2,841,441

State Special Revenue Fund Group

5K2 015-603 CLA Victims of Crime	\$	1,582,684	\$	1,582,684
TOTAL SSR State Special Revenue Fund Group	\$	1,582,684	\$	1,582,684
TOTAL ALL BUDGET FUND GROUPS	\$	4,341,365	\$	4,424,125

SECTION 257.10. AFC OHIO CULTURAL FACILITIES COMMISSION

General Revenue Fund

GRF 371-321 Operating Expenses	\$	176,136	\$	176,136
GRF 371-401 Lease Rental Payments	\$	36,604,600	\$	37,455,500
TOTAL GRF General Revenue Fund	\$	36,780,736	\$	37,631,636

State Special Revenue Fund Group

4T8 371-601 Riffe Theatre Equipment Maintenance	\$	81,000	\$	81,000
4T8 371-603 Project Administration Services	\$	1,302,866	\$	1,302,866
TOTAL SSR State Special Revenue Group	\$	1,383,866	\$	1,383,866
TOTAL ALL BUDGET FUND GROUPS	\$	38,164,602	\$	39,015,502

LEASE RENTAL PAYMENTS

The foregoing appropriation item 371-401, Lease Rental Payments, shall be used to meet all payments from the Ohio Cultural Facilities Commissions to the Treasurer of State during the period from July 1, 2007, to June 30, 2009, under the primary leases and agreements for those arts and sports facilities made under Chapters 152. and 154. of the Revised Code. This appropriation is the source of funds pledged for bond service charges on related obligations issued pursuant to Chapters 152. and 154. of the Revised Code.

OPERATING EXPENSES

The foregoing appropriation item 371-321, Operating Expenses, shall be used by the Ohio Cultural Facilities Commission to carry out its responsibilities under this section and Chapter 3383. of the Revised Code.

By the tenth day following each calendar quarter in each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall determine the amount of cash from interest earnings to be transferred from the Cultural and Sports Facilities Building Fund (Fund 030) to the Cultural

Facilities Commission Administration Fund (Fund 4T8).

As soon as possible after each bond issuance made on behalf of the Cultural Facilities Commission, the Director of Budget and Management shall determine the amount of cash from any premium paid on each issuance that is available to be transferred after all issuance costs have been paid from the Cultural and Sports Facilities Building Fund (Fund 030) to the Cultural Facilities Commission Administration Fund (Fund 4T8).

CAPITAL DONATIONS FUND CERTIFICATIONS AND APPROPRIATIONS

The Executive Director of the Cultural Facilities Commission shall certify to the Director of Budget and Management the amount of cash receipts and related investment income, irrevocable letters of credit from a bank, or certification of the availability of funds that have been received from a county or a municipal corporation for deposit into the Capital Donations Fund (Fund 5A1) and are related to an anticipated project. These amounts are hereby appropriated to appropriation item CAP-702, Capital Donations. Prior to certifying these amounts to the Director, the Executive Director shall make a written agreement with the participating entity on the necessary cash flows required for the anticipated construction or equipment acquisition project.

SECTION 259.10. DEN STATE DENTAL BOARD

General Services Fund Group

4K9 880-609 Operating Expenses	\$	1,437,392	\$	1,528,749
TOTAL GSF General Services Fund Group	\$	1,437,392	\$	1,528,749
TOTAL ALL BUDGET FUND GROUPS	\$	1,437,392	\$	1,528,749

SECTION 261.10. BDP BOARD OF DEPOSIT

General Services Fund Group

4M2 974-601 Board of Deposit	\$	1,676,000	\$	1,676,000
TOTAL GSF General Services Fund Group	\$	1,676,000	\$	1,676,000
TOTAL ALL BUDGET FUND GROUPS	\$	1,676,000	\$	1,676,000

BOARD OF DEPOSIT EXPENSE FUND

Upon receiving certification of expenses from the Treasurer of State, the Director of Budget and Management shall transfer cash from the Investment Earnings Redistribution Fund (Fund 608) to the Board of Deposit Expense Fund (Fund 4M2). The latter fund shall be used to pay for banking charges and fees required for the operation of the State of Ohio Regular Account.

SECTION 263.10. DEV DEPARTMENT OF DEVELOPMENT

General Revenue Fund

GRF 195-401	Thomas Edison Program	\$	19,404,838	\$	17,978,483
GRF 195-404	Small Business Development	\$	1,740,722	\$	1,792,944
GRF 195-405	Minority Business Development Division	\$	1,580,291	\$	1,627,700
GRF 195-407	Travel and Tourism	\$	1,800,000	\$	1,800,000
GRF 195-410	Defense Conversion Assistance	\$	5,000,000	\$	0
GRF 195-412	Rapid Outreach Grants	\$	10,750,000	\$	10,000,000
GRF 195-415	Economic Development Division and Regional Offices	\$	5,894,975	\$	6,071,824
GRF 195-416	Governor's Office of Appalachia	\$	4,746,043	\$	4,746,043
GRF 195-422	Third Frontier Action Fund	\$	18,790,000	\$	16,790,000
GRF 195-426	Clean Ohio Implementation	\$	300,000	\$	309,000
GRF 195-432	International Trade	\$	4,650,501	\$	4,650,501
GRF 195-434	Investment in Training Grants	\$	12,227,500	\$	12,594,325
GRF 195-436	Labor/Management Cooperation	\$	836,225	\$	836,225
GRF 195-497	CDBG Operating Match	\$	1,072,184	\$	1,072,184
GRF 195-498	State Match Energy	\$	96,820	\$	96,820
GRF 195-501	Appalachian Local Development Districts	\$	391,482	\$	391,482
GRF 195-502	Appalachian Regional Commission Dues	\$	254,208	\$	254,208
GRF 195-507	Travel and Tourism Grants	\$	1,130,000	\$	1,115,000
GRF 195-516	Shovel Ready Sites	\$	1,000,000	\$	1,000,000
GRF 195-520	Ohio Main Street Program	\$	750,000	\$	250,000
GRF 195-521	Discover Ohio!	\$	7,182,845	\$	8,182,845
GRF 195-905	Third Frontier Research & Development General Obligation Debt Service	\$	14,349,500	\$	24,523,400
GRF 195-912	Job Ready Site Development General Obligation Debt Service	\$	4,359,400	\$	8,232,500
TOTAL GRF General Revenue Fund		\$	118,307,534	\$	124,315,484

General Services Fund Group

135 195-684	Supportive Services	\$	11,699,404	\$	11,321,444
5AD 195-667	Investment in Training Expansion	\$	2,000,000	\$	0
5AD 195-668	Workforce Guarantee Program	\$	1,000,000	\$	0
5AD 195-677	Economic Development Contingency	\$	5,000,000	\$	24,400,000
5W5 195-690	Travel and Tourism Cooperative Projects	\$	350,000	\$	350,000
5W6 195-691	International Trade Cooperative Projects	\$	300,000	\$	300,000
685 195-636	Direct Cost Recovery Expenditures	\$	800,000	\$	800,000

Am. Sub. H. B. No. 119

1521

TOTAL GSF General Services Fund Group		\$	21,149,404	\$	37,171,444
Federal Special Revenue Fund Group					
3AE	195-643	Workforce Development Initiatives	\$	5,839,900	\$ 5,860,000
3BJ	195-685	TANF Heating Assistance	\$	45,000,000	\$ 15,000,000
3K8	195-613	Community Development Block Grant	\$	65,000,000	\$ 65,000,000
3K9	195-611	Home Energy Assistance Block Grant	\$	110,000,000	\$ 110,000,000
3K9	195-614	HEAP Weatherization	\$	22,000,000	\$ 22,000,000
3L0	195-612	Community Services Block Grant	\$	25,235,000	\$ 25,235,000
3V1	195-601	HOME Program	\$	40,000,000	\$ 40,000,000
308	195-602	Appalachian Regional Commission	\$	475,000	\$ 475,000
308	195-603	Housing and Urban Development	\$	6,000,000	\$ 6,000,000
308	195-605	Federal Projects	\$	27,000,000	\$ 27,000,000
308	195-609	Small Business Administration	\$	4,296,381	\$ 4,396,381
308	195-618	Energy Federal Grants	\$	3,400,000	\$ 3,400,000
335	195-610	Energy Conservation and Emerging Technology	\$	2,200,000	\$ 2,200,000
TOTAL FED Federal Special Revenue Fund Group		\$	356,446,281	\$	326,566,381
State Special Revenue Fund Group					
4F2	195-639	State Special Projects	\$	518,393	\$ 518,393
4F2	195-676	Marketing Initiatives	\$	5,000,000	\$ 1,000,000
4S0	195-630	Tax Incentive Programs	\$	650,800	\$ 650,800
4W1	195-646	Minority Business Enterprise Loan	\$	2,580,597	\$ 2,580,597
444	195-607	Water and Sewer Commission Loans	\$	523,775	\$ 523,775
450	195-624	Minority Business Bonding Program Administration	\$	53,967	\$ 53,967
451	195-625	Economic Development Financing Operating	\$	3,233,311	\$ 3,233,311
5AR	195-674	Industrial Site Improvements	\$	4,500,000	\$ 4,500,000
5CG	195-679	Alternative Fuel Transportation	\$	1,500,000	\$ 1,000,000
5DU	195-689	Energy Projects	\$	840,000	\$ 840,000
5M4	195-659	Low Income Energy Assistance	\$	245,000,000	\$ 245,000,000
5M5	195-660	Advanced Energy Programs	\$	17,000,000	\$ 17,000,000
5X1	195-651	Exempt Facility Inspection	\$	25,000	\$ 25,000
611	195-631	Water and Sewer Administration	\$	15,713	\$ 15,713
617	195-654	Volume Cap Administration	\$	200,000	\$ 200,000
646	195-638	Low- and Moderate- Income Housing Trust Fund	\$	53,000,000	\$ 53,000,000
TOTAL SSR State Special Revenue Fund Group		\$	334,641,556	\$	330,141,556

Facilities Establishment Fund Group

009	195-664	Innovation Ohio	\$	50,000,000	\$	50,000,000
010	195-665	Research and Development	\$	50,000,000	\$	50,000,000
037	195-615	Facilities Establishment	\$	110,000,000	\$	110,000,000
4Z6	195-647	Rural Industrial Park Loan	\$	3,000,000	\$	3,000,000
5D2	195-650	Urban Redevelopment Loans	\$	5,475,000	\$	5,475,000
5S8	195-627	Rural Development Initiative	\$	3,000,000	\$	3,000,000
5S9	195-628	Capital Access Loan Program	\$	3,000,000	\$	3,000,000
TOTAL 037 Facilities Establishment Fund Group			\$	224,475,000	\$	224,475,000

Clean Ohio Revitalization Fund

003	195-663	Clean Ohio Operating	\$	625,000	\$	550,000
TOTAL 003 Clean Ohio Revitalization Fund			\$	625,000	\$	550,000

Third Frontier Research & Development Fund Group

011	195-686	Third Frontier Operating	\$	1,932,056	\$	1,932,056
011	195-687	Third Frontier Research & Development Projects	\$	94,000,000	\$	72,000,000
014	195-692	Research & Development Taxable Bond Projects	\$	28,000,000	\$	28,000,000
TOTAL 011 Third Frontier Research & Development Fund Group			\$	123,932,056	\$	101,932,056

Job Ready Site Development Fund Group

012	195-688	Job Ready Site Operating	\$	1,246,155	\$	1,246,155
TOTAL 012 Job Ready Site Development Fund Group			\$	1,246,155	\$	1,246,155
TOTAL ALL BUDGET FUND GROUPS			\$	1,180,822,986	\$	1,146,398,076

SECTION 263.10.10. THOMAS EDISON PROGRAM

The foregoing appropriation item 195-401, Thomas Edison Program, shall be used for the purposes of sections 122.28 to 122.38 of the Revised Code in order to provide funds for cooperative public and private efforts in technological innovation to promote the development and transfer of technology by and to Ohio businesses that will lead to the creation of jobs. Of the foregoing appropriation item 195-401, Thomas Edison Program, not more than ten per cent in each fiscal year shall be used for operating expenditures in administering the programs of the Technology Division.

Of the foregoing appropriation item 195-401, Thomas Edison Program, \$2,000,000 in fiscal year 2008 shall be used by Development Projects, Inc., for technology commercialization.

SECTION 263.10.20. SMALL BUSINESS DEVELOPMENT

The foregoing appropriation item 195-404, Small Business Development, shall be used to ensure that the unique needs and concerns of small businesses are addressed.

The foregoing appropriation item 195-404, Small Business Development, may be used to provide grants to local organizations to support the operation of Small Business Development Centers and other local economic development activity promoting small business, including the 1st Stop Business Connection, and for the cost of administering the small business development center program. The centers shall provide technical, financial, and management consultation for small business and shall facilitate access to state and federal programs. These funds shall be used as matching funds for grants from the United States Small Business Administration and other federal agencies, pursuant to Public Law No. 96-302 (1980) as amended by Public Law No. 98-395 (1984), and regulations and policy guidelines for the programs under this law.

MINORITY BUSINESS DEVELOPMENT DIVISION

Of the foregoing appropriation item 195-405, Minority Business Development Division, up to \$1,060,000 but not less than \$954,000 in each fiscal year shall be used to fund minority contractors and business assistance organizations. The Minority Business Development Division shall determine which cities need minority contractors and business assistance organizations by utilizing United States Census Bureau data and zip codes to locate the highest concentrations of minority businesses. The Minority Business Development Division also shall determine the numbers of minority contractors and business assistance organizations necessary and the amount of funding to be provided each. In addition, the Minority Business Development Division shall continue to plan and implement business conferences.

SECTION 263.10.30. RAPID OUTREACH GRANTS

The foregoing appropriation item 195-412, Rapid Outreach Grants, shall be used as an incentive for attracting and retaining business opportunities for the state. Any such business opportunity, whether new, expanding, or relocating in Ohio, is eligible for funding. The project must create or retain a significant number of jobs for Ohioans. Grant awards may be considered only when (1) the project's viability hinges on an award of funds from appropriation item 195-412, Rapid Outreach Grants; (2) all other public or private sources of financing have been considered; or (3) the funds act as a catalyst for the infusion into the project of other financing sources.

The department's primary goal shall be to award funds to political subdivisions of the state for off-site infrastructure improvements. In order to meet the particular needs of economic development in a region, the department may elect to award funds directly to a business for on-site

infrastructure improvements. "Infrastructure improvements" mean improvements to water system facilities, sewer and sewage treatment facilities, electric or gas service facilities, fiber optic facilities, rail facilities, site preparation, and parking facilities. The Director of Development may recommend the funds be used in an alternative manner when considered appropriate to meet an extraordinary economic development opportunity or need.

The foregoing appropriation item 195-412, Rapid Outreach Grants, may be expended only after the submission of a request to the Controlling Board by the Department of Development outlining the planned use of the funds, and the subsequent approval of the request by the Controlling Board.

The foregoing appropriation item 195-412, Rapid Outreach Grants, may be used for, but is not limited to, construction, rehabilitation, and acquisition projects for rail freight assistance as requested by the Department of Transportation. The Director of Transportation shall submit the proposed projects to the Director of Development for an evaluation of potential economic benefit.

SECTION 263.10.40. ECONOMIC DEVELOPMENT DIVISION AND REGIONAL OFFICES

The foregoing appropriation item 195-415, Economic Development Division and Regional Offices, shall be used for the operating expenses of the Economic Development Division and the regional economic development offices and for grants for cooperative economic development ventures.

SECTION 263.10.50. GOVERNOR'S OFFICE OF APPALACHIA

The foregoing appropriation item 195-416, Governor's Office of Appalachia, shall be used for the administrative costs of planning and liaison activities for the Governor's Office of Appalachia, and to provide financial assistance to projects in Ohio's Appalachian counties.

Of the foregoing appropriation item 195-416, Governor's Office of Appalachia, up to \$250,000 each fiscal year shall be used to match federal funds from the Appalachian Regional Commission to provide job training to impact the Appalachian Region.

Of the foregoing appropriation item 195-416, Governor's Office of Appalachia, up to \$4,246,043 in each fiscal year shall be used in conjunction with other federal and state funds to provide financial assistance to projects in Ohio's Appalachian counties in order to further the goals of the

Appalachian Regional Commission. The projects and project sponsors shall meet Appalachian Regional Commission eligibility requirements. Grants shall be administered by the Department of Development.

SECTION 263.10.60. THIRD FRONTIER ACTION FUND

The foregoing appropriation item 195-422, Third Frontier Action Fund, shall be used to make grants under sections 184.01 and 184.02 of the Revised Code. Prior to the release of funds from appropriation item 195-422, Third Frontier Action Fund, each grant award shall be recommended for funding by the Third Frontier Commission and obtain approval from the Controlling Board.

Of the foregoing appropriation item 195-422, Third Frontier Action Fund, not more than six per cent in each fiscal year shall be used for operating expenditures in administering the program.

In addition to the six per cent for operating expenditures, an additional administrative amount, not to exceed \$1,500,000 within the biennium, shall be available for proposal evaluation, research and analyses, and marketing efforts considered necessary to receive and disseminate information about science and technology-related opportunities in the state.

Of the foregoing appropriation item 195-422, Third Frontier Action Fund, \$2,000,000 in fiscal year 2008 shall be used by Development Projects, Inc., for business and job creation resulting from Third Frontier investments.

SCIENCE AND TECHNOLOGY COLLABORATION

The Department of Development shall work in close collaboration with the Board of Regents, the Air Quality Development Authority, and the Third Frontier Commission in relation to appropriation items and programs referred to as Alignment Programs in the following paragraph, and other technology-related appropriations and programs in the Department of Development, Air Quality Development Authority, and the Board of Regents as these agencies may designate, to ensure implementation of a coherent state strategy with respect to science and technology.

"Alignment Programs" means appropriation items 195-401, Thomas Edison Program; 898-402, Coal Development Office; 195-422, Third Frontier Action Fund; 898-604, Coal Research and Development Fund; 235-433, Economic Growth Challenge; 235-508, Air Force Institute of Technology; 235-510, Ohio Supercomputer Center; 235-451, Eminent Scholars; 235-527, Ohio Aerospace Institute; 235-535, Ohio Agricultural Research and Development Center; 235-553, Dayton Area Graduate Studies Institute; 235-554, Priorities in Collaborative Graduate Education; 235-556, Ohio Academic Resources Network; 195-435, Biomedical Research and

Technology Transfer Trust; 195-687, Third Frontier Research & Development Projects; CAP-068, Third Frontier Project; and 195-692, Research & Development Taxable Bond Projects.

Consistent with the recommendations of the Governor's Commission on Higher Education and the Economy, Alignment Programs shall be managed and administered in accordance with the following objectives: (1) to build on existing competitive research strengths; (2) to encourage new and emerging discoveries and commercialization of products and ideas that will benefit the Ohio economy; and (3) to assure improved collaboration among Alignment Programs with programs administered by the Third Frontier Commission and with other state programs that are intended to improve economic growth and job creation. As directed by the Third Frontier Commission, Alignment Program managers shall report to the Commission or the Third Frontier Advisory Board regarding the contributions of their programs to achieving these objectives.

Each Alignment Program shall be reviewed annually by the Third Frontier Commission with respect to its development of complementary relationships within a combined state science and technology investment portfolio, and with respect to its overall contribution to the state's science and technology strategy, including the adoption of appropriately consistent criteria for: (1) the scientific merit of activities supported by the program; (2) the relevance of the program's activities to commercial opportunities in the private sector; (3) the private sector's involvement in a process that continually evaluates commercial opportunities to use the work supported by the program; and (4) the ability of the program and recipients of grant funding from the program to engage in activities that are collaborative, complementary, and efficient with respect to the expenditures of state funds. Each Alignment Program shall provide an annual report to the Third Frontier Commission that discusses existing, planned, or possible collaborations between programs and between recipients of grant funding related to technology, development, commercialization, and the support of Ohio's economic development. The annual review conducted by the Third Frontier Commission shall be a comprehensive review of the entire state science and technology program portfolio rather than a review of individual programs.

Applicants for Third Frontier and Alignment Programs funding shall identify their requirements for high-performance computing facilities and services, including both hardware and software, in all proposals. If an applicant's requirements exceed approximately \$100,000 for a proposal, the Ohio Supercomputer Center shall convene a panel of experts. The panel

shall review the proposal to determine whether the proposal's requirements can be met through Ohio Supercomputer Center facilities or through other means and report such information to the Third Frontier Commission.

To ensure that the state receives the maximum benefit from its investment in the Third Frontier Project and the Third Frontier Network, organizations receiving Third Frontier awards and Alignment Programs awards shall, as appropriate, be expected to have a connection to the Third Frontier Network that enables them and their collaborators to achieve award objectives through the Third Frontier Network.

SECTION 263.10.70. INTERNATIONAL TRADE

The foregoing appropriation item 195-432, International Trade, shall be used to operate and to maintain Ohio's out-of-state trade offices.

The Director of Development may enter into contracts with foreign nationals to staff foreign offices. The contracts may be paid in local currency or United States currency and shall be exempt from section 127.16 of the Revised Code. The director also may establish foreign currency accounts under section 122.05 of the Revised Code for the payment of expenses related to the operation and maintenance of the foreign trade offices.

The foregoing appropriation item 195-432, International Trade, shall be used to fund the International Trade Division and to assist Ohio manufacturers and agricultural producers in exporting to foreign countries in conjunction with the Department of Agriculture.

Of the foregoing appropriation item 195-432, International Trade, up to \$35,000 may be used to purchase gifts for representatives of foreign governments or dignitaries of foreign countries.

SECTION 263.10.80. OHIO INVESTMENT IN TRAINING PROGRAM

The foregoing appropriation items 195-434, Investment in Training Grants, and 195-667, Investment in Training Expansion, shall be used to promote training through grants for the reimbursement of eligible training expenses.

Of the foregoing appropriation item 195-434, Investment in Training Grants, \$300,000 in each fiscal year shall be used for the Re-Tooling for Success Program at Washington State Community College.

SECTION 263.10.90. CDBG OPERATING MATCH

The foregoing appropriation item 195-497, CDBG Operating Match, shall be used to provide matching funds as requested by the United States Department of Housing and Urban Development to administer the federally funded Community Development Block Grant (CDBG) program.

STATE OPERATING MATCH

The foregoing appropriation item 195-498, State Match Energy, shall be used to provide matching funds as required by the United States Department of Energy to administer the federally funded State Energy Plan.

SECTION 263.10.95. DEFENSE CONVERSION ASSISTANCE

Of the foregoing appropriation item 195-410, Defense Conversion Assistance, \$5,000,000 in fiscal year 2008 shall be used by Development Projects, Inc., for the creation of new jobs to leverage and support mission gains at Wright-Patterson Air Force Base in defense intelligence, aerospace research, and related areas from successful base realignment and closure efforts.

SECTION 263.10.97. STATE FILM BUREAU

There is hereby created the State Film Bureau. The mission of the Bureau shall be to promote media production in the state and to help the industry optimize its production experience in the state, including enhancing local economies through increased employment and tax revenues and ensuring an accurate portrayal of Ohio. The Bureau shall serve as an informational clearinghouse and provide technical assistance to the media production industry and business entities engaged in media production in the state. The Bureau shall promote Ohio as the ideal site for media production and help those in the industry benefit from their experience in the state.

The primary objective of the Bureau shall be to encourage development of a strong capital base for electronic media production in order to achieve an independent, self-supporting industry in Ohio. Other objectives shall include:

- (A) Attracting private investment for the electronic media production industry;
 - (B) Developing a tax infrastructure that encourages private investment;
- and
- (C) Encouraging increased employment opportunities within this sector and increased competition with other states.

The State Film Bureau shall conduct a study of Ohio's media production industry and make recommendations that lead to job growth in that industry.

The study shall identify and benchmark Ohio's current and potential capabilities for growth in the sectors and sub-sectors of commercial, industrial, education, and entertainment media. The Bureau shall prepare a comprehensive report of its findings, along with recommendations for private sector and public policy initiatives that can lead to the future growth of the media production industry in Ohio, increased job opportunities, and the enhancement of Ohio's image as a desirable place to do business.

SECTION 263.20.10. 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, \$50,000 in each fiscal year shall be used for the Cleveland Film Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Cincinnati Film Bureau.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$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 Greater Cleveland Sports Commission.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in each fiscal year shall be used for the Greater Columbus Sports Commission.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$50,000 in fiscal year 2008 shall be used for the Ohio Alliance of Science Centers.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$100,000 in each fiscal year shall be used for the Harbor Heritage Society/Great Lakes Science Center in support of operations of the Steamship William G. Mather Maritime Museum, and \$100,000 in each fiscal year shall be used for the Great Lakes Historical Society.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$35,000 in fiscal year 2009 shall be used for the Ohio Junior Angus Association to assist with costs associated with hosting the Eastern Regional Junior Angus Show in June 2009.

Of the foregoing appropriation item 195-507, Travel and Tourism

Grants, \$60,000 in each fiscal year shall be used for the Ohio River Trails program.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$60,000 in each fiscal year shall be used to support the outdoor drama "Tecumseh!"

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for Ohio's Appalachian Country.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$25,000 in each fiscal year shall be used for the Garst Museum.

Of the foregoing appropriation item 195-507, Travel and Tourism Grants, \$10,000 in each fiscal year shall be used for the Pro Football Hall of Fame Festival.

SECTION 263.10.12. SHOVEL READY SITES

The foregoing appropriation item 195-516, Shovel Ready Sites, shall be used for Development Projects, Inc., for advanced technical intelligence centers, the Springfield Port Authority, and other qualifying projects under section 122.083 of the Revised Code.

SECTION 263.20.13. OHIO MAIN STREET PROGRAM

Of the foregoing appropriation item 195-520, Ohio Main Street Program, \$500,000 in fiscal year 2008 shall be used for the rebuilding and revitalization of downtown Wauseon following the April 14, 2007, fire in that community. Such funds shall be used by the mayor of Wauseon or the mayor's designee to provide grants and matching grants to owners or their successors whose buildings and property were damaged or destroyed by the fire. Such grants shall only be used to supplement investments of owners or successors who are rebuilding in the downtown location of the fire.

SECTION 263.20.16. DISCOVER OHIO!

The foregoing appropriation item 195-521, Discover Ohio!, shall be used by the Division of Travel and Tourism in the Department of Development for marketing and promoting Ohio as a tourism destination and for nonpersonnel costs associated with operating such programs.

SECTION 263.20.20. THIRD FRONTIER RESEARCH & DEVELOPMENT GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 195-905, Third Frontier Research & Development General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2007, to June 30, 2009, on obligations issued for research and development purposes under sections 151.01 and 151.10 of the Revised Code.

JOB READY SITE DEVELOPMENT GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 195-912, Job Ready Site Development General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2007, to June 30, 2009, on obligations issued for job ready site development purposes under sections 151.01 and 151.11 of the Revised Code.

SECTION 263.20.30. SUPPORTIVE SERVICES

The Director of Development may assess divisions of the department for the cost of central service operations. An assessment shall be based on a plan submitted to and approved by the Office of Budget and Management by August 1, 2007, and shall contain the characteristics of administrative ease and uniform application.

A division's payments shall be credited to the Supportive Services Fund (Fund 135) using an intrastate transfer voucher.

Of the foregoing appropriation item 195-684, Supportive Services, \$50,000 in fiscal year 2008 and \$35,000 in fiscal year 2009 shall be used for Crawford County to hire a local economic development coordinator.

WORKFORCE GUARANTEE PROGRAM

The foregoing appropriation item 195-668, Workforce Guarantee Program, shall be used for the Workforce Guarantee Program.

Benefited employers must create at least 20 high-paying, full-time jobs over a one-year period and must demonstrate prior to the commitment of state funds that the availability of those skilled workers is a major factor in the employer's decision to locate or expand in Ohio. Customized training activities are eligible for funding through the Workforce Guarantee Program.

The Director of Development, under Chapter 119. of the Revised Code, shall adopt, and may amend or rescind, rules the Director finds necessary for the implementation and successful operation of the Workforce Guarantee Program.

ECONOMIC DEVELOPMENT CONTINGENCY

Of the foregoing appropriation item 195-677, Economic Development Contingency, up to \$19,400,000 shall be used by the Third Frontier

Commission in fiscal year 2009 for biomedical research and technology transfer purposes under sections 184.01 to 184.03 of the Revised Code.

Of the foregoing appropriation item 195-677, Economic Development Contingency, \$1,500,000 in fiscal year 2008 shall be used for Cleveland Hopkins International Airport projects to support increased service and expand the existing hub, as defined in 49 U.S.C. 40102, Infrastructure.

DIRECT COST RECOVERY EXPENDITURES

The foregoing appropriation item 195-636, Direct Cost Recovery Expenditures, shall be used for conference and subscription fees and other reimbursable costs. Revenues to the General Reimbursement Fund (Fund 685) shall consist of fees and other moneys charged for conferences, subscriptions, and other administrative costs that are not central service costs.

SECTION 263.20.40. HEAP WEATHERIZATION

Fifteen per cent of the federal funds received by the state for the Home Energy Assistance Block Grant shall be deposited in appropriation item 195-614, HEAP Weatherization (Fund 3K9), and shall be used to provide home weatherization services in the state.

The Department of Development shall seek, and if approved shall implement, a federal waiver to increase the percentage of the Home Energy Block Grant that may be used for weatherization to at least sixteen and one-half per cent in fiscal year 2008 and at least seventeen and one-half per cent in fiscal year 2009. Upon approval of the federal waiver, the Director of Development shall seek Controlling Board approval to adjust appropriation items 195-611, Home Energy Assistance Block Grant, and 195-614, HEAP Weatherization, as needed to implement the federal waiver.

STATE SPECIAL PROJECTS

The foregoing fund, Fund 4F2, State Special Projects Fund, shall be used for the deposit of private-sector funds from utility companies and for the deposit of other miscellaneous state funds. Private-sector moneys shall be used to (1) pay the expenses of verifying the income-eligibility of HEAP applicants, (2) market economic development opportunities in the state, and (3) leverage additional federal funds. State funds shall be used to match federal housing grants for the homeless and to market economic development opportunities in the state.

SECTION 263.20.50. TAX INCENTIVE PROGRAMS OPERATING

On July 1, 2007, or as soon thereafter as possible, the Director of

Budget and Management shall transfer the cash balance in the Job Creation Tax Credit Operating Fund (Fund 4S1) to the Tax Incentive Programs Operating Fund (Fund 4S0). The Director shall cancel any existing encumbrances against appropriation item 195-634, Job Creation Tax Credit Operating (Fund 4S1), and re-establish them against appropriation item 195-630, Tax Incentive Programs Operating (Fund 4S0). The amounts of the re-established encumbrances are hereby appropriated.

SECTION 263.20.53. MINORITY BUSINESS DEVELOPMENT ORGANIZATIONS

Notwithstanding Chapter 122. of the Revised Code and any other law to the contrary, of the foregoing appropriation item 195-646, Minority Business Enterprise Loan, \$300,000 in each fiscal year shall be used to award grants of \$150,000 each to two minority business development organizations in the state. The grants shall be awarded through a competitive process and shall be used for efforts to build capacity and long term sustainability.

SECTION 263.20.60. MINORITY BUSINESS ENTERPRISE LOAN

All repayments from the Minority Development Financing Advisory Board Loan Program and the Ohio Mini-Loan Guarantee Program shall be deposited in the State Treasury to the credit of the Minority Business Enterprise Loan Fund (Fund 4W1).

All operating costs of administering the Minority Business Enterprise Loan Fund shall be paid from the Minority Business Enterprise Loan Fund (Fund 4WI).

MINORITY BUSINESS BONDING FUND

Notwithstanding Chapters 122., 169., and 175. of the Revised Code and other provisions of Am. Sub. H.B. 283 of the 123rd General Assembly, the Director of Development may, upon the recommendation of the Minority Development Financing Advisory Board, pledge up to \$10,000,000 in the FY 2008-2009 biennium of unclaimed funds administered by the Director of Commerce and allocated to the Minority Business Bonding Program under section 169.05 of the Revised Code. The transfer of any cash by the Director of Budget and Management from the Department of Commerce's Unclaimed Funds Fund (Fund 543) to the Department of Development's Minority Business Bonding Fund (Fund 449) shall occur, if requested by the Director of Development, only if such funds are needed for payment of losses arising from the Minority Business Bonding Program, and only after proceeds of

the initial transfer of \$2,700,000 by the Controlling Board to the Minority Business Bonding Program has been used for that purpose. Moneys transferred by the Director of Budget and Management from the Department of Commerce for this purpose may be moneys in custodial funds held by the Treasurer of State. If expenditures are required for payment of losses arising from the Minority Business Bonding Program, such expenditures shall be made from appropriation item 195-623, Minority Business Bonding Contingency in the Minority Business Bonding Fund, and such amounts are appropriated.

SECTION 263.20.70. ECONOMIC DEVELOPMENT FINANCING OPERATING

The foregoing appropriation item 195-625, Economic Development Financing Operating, shall be used for the operating expenses of financial assistance programs authorized under Chapter 166. of the Revised Code and under sections 122.43 and 122.45 of the Revised Code.

ALTERNATIVE FUEL TRANSPORTATION

The foregoing appropriation item 195-679, Alternative Fuel Transportation, shall be used by the Director of Development to make grants under the Alternative Fuel Transportation Grant Fund Program in accordance with section 122.075 of the Revised Code, and for administrative costs associated with the program.

Of the foregoing appropriation item 195-679, Alternative Fuel Transportation, up to \$1,000,000 in each fiscal year shall be used to encourage retail gas stations to provide E85 and B20 (or higher) fuel to customers in accordance with section 122.075 of the Revised Code.

LOW INCOME ENERGY ASSISTANCE

The foregoing appropriation item 195-659, Low Income Energy Assistance, shall be used to provide payments to regulated electric utility companies for low-income customers enrolled in Percentage of Income Payment Plan (PIPP) electric accounts, to fund targeted energy efficiency and customer education services to PIPP customers, and to cover the department's administrative costs related to Universal Service Fund Programs. If it is determined that additional appropriations are necessary to provide payments to regulated utility companies for low income customers enrolled in PIPP electric accounts, such appropriations are subject to approval by the Controlling Board upon the submission of a request by the Department of Development.

ADVANCED ENERGY FUND

The foregoing appropriation item 195-660, Advanced Energy Programs,

shall be used to provide financial assistance to customers for eligible advanced energy projects for residential, commercial and industrial business, local government, educational institution, nonprofit, and agriculture customers, and to pay for the program's administrative costs as provided in the Revised Code and rules adopted by the Director of Development.

Of the foregoing appropriation item 195-660, Advanced Energy Programs, up to \$1,500,000 over the biennium shall be used for methane digester projects in certified territories of electric distribution utilities and elsewhere throughout the state.

Of the foregoing appropriation item 195-660, Advanced Energy Programs, up to \$250,000 in each fiscal year shall be used for grants to school districts under section 3327.17 of the Revised Code.

By July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$90,485 in cash from the Advanced Energy Fund (Fund 5M5) to the General Revenue Fund for use by the Division of Geological Survey in the Department of Natural Resources. The amount of the transfer is hereby appropriated in GRF appropriation item 728-321, Division of Geological Survey.

By July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$64,557 in cash from the Advanced Energy Fund (Fund 5M5) to the General Revenue Fund for use by the Division of Geological Survey in the Department of Natural Resources. The amount of the transfer is hereby appropriated in GRF appropriation item 728-321, Division of Geological Survey.

TRANSFER FROM THE ADVANCED ENERGY FUND TO THE INDUSTRIAL SITE IMPROVEMENTS FUND

Notwithstanding Chapters 122. and 4928. of the Revised Code and any other law to the contrary, the Director of Budget and Management shall transfer \$4,500,000 in cash in fiscal year 2008 and \$4,500,000 in cash in fiscal year 2009 from the Advanced Energy Fund (Fund 5M5) to the Industrial Site Improvements Fund (Fund 5AR).

Moneys in Fund 5AR, Industrial Site Improvements, shall be used by the Director of Development to make grants to eligible counties for the improvement of commercial or industrial areas within those counties under section 122.951 of the Revised Code.

GLOBAL ANALYST SETTLEMENT AGREEMENTS PAYMENTS

All payments received by the state pursuant to a series of settlements with ten brokerage firms reached with the United States Securities and Exchange Commission, the National Association of Securities Dealers, the

New York Stock Exchange, the New York Attorney General, and other state regulators (henceforth referred to as the "Global Analysts Settlement Agreements"), shall be deposited into the state treasury to the credit of the Economic Development Contingency Fund (Fund 5Y6), which is hereby created in the state treasury. The fund shall be used by the Director of Development to support economic development projects for which appropriations would not otherwise be available, and shall be subject to the submission of a request to the Controlling Board by the Director outlining the planned use of the funds, and the subsequent approval of the request by the Controlling Board.

VOLUME CAP ADMINISTRATION

The foregoing appropriation item 195-654, Volume Cap Administration, shall be used for expenses related to the administration of the Volume Cap Program. Revenues received by the Volume Cap Administration Fund (Fund 617) shall consist of application fees, forfeited deposits, and interest earned from the custodial account held by the Treasurer of State.

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.

SECTION 263.20.75. TRANSFER FROM THE LOW- AND MODERATE-INCOME HOUSING TRUST FUND TO THE RESIDENTIAL STATE SUPPLEMENT FUND

Notwithstanding Chapter 175. of the Revised Code and any other law to the contrary, the Director of Budget and Management shall transfer \$1,500,000 cash in fiscal year 2008 and \$1,500,000 cash in fiscal year 2009 from the Low- and Moderate-Income Housing Trust Fund (Fund 646) in the Department of Development to the Residential State Supplement Fund (Fund 5CH) in the Department of Mental Health.

SECTION 263.20.80. 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, an amount not to exceed \$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, an amount not to exceed \$5,475,000 in cash each fiscal year 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. The transfers shall be subject to approval by the Controlling Board upon the submission of a request by the Department of Development.

Notwithstanding Chapter 166. of the Revised Code, an amount not to exceed \$3,000,000 in cash each fiscal year 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.

Notwithstanding Chapter 166. of the Revised Code, of the foregoing appropriation item 195-615, Facilities Establishment, \$1,500,000 in fiscal year 2008 shall be used for business development by any current or future port authority located in Clark County.

Notwithstanding Chapter 166. of the Revised Code, on July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management, at the request of the Director of Development, shall transfer \$5,719,325 cash from the Facilities Establishment Fund (Fund 037) to the General Revenue Fund. Of the amount to be transferred, \$5,352,500 in fiscal year 2008 is hereby appropriated in appropriation item 195-412, Rapid Outreach Grants, and \$366,825 in fiscal year 2008 is hereby appropriated in appropriation item 195-434, Investment in Training Grants.

Notwithstanding Chapter 166. of the Revised Code, on July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management, at the request of the Director of Development, shall transfer \$6,102,500 cash from the Facilities Establishment Fund (Fund 037) to the General Revenue Fund. The amount transferred is hereby appropriated in appropriation item 195-412, Rapid Outreach Grants, for fiscal year 2009.

Notwithstanding Chapter 166. of the Revised Code, on the first day of July of each year of the biennium, or as soon as possible thereafter, the Director of Budget and Management, at the request of the Director of Development, shall transfer \$4,275,000 cash from the Facilities Establishment Fund (Fund 037) to the Job Development Initiatives Fund (Fund 5AD). The amount transferred is hereby appropriated in each fiscal year in appropriation item 195-677, Economic Development Contingency.

Notwithstanding Chapter 166. of the Revised Code, of the foregoing appropriation item 195-615, Facilities Establishment, \$1,500,000 in fiscal year 2008 shall be used for the City of Toledo's Marina District Development project. Disbursement of funds for this purpose shall not take precedence over any existing obligations from the Facilities Establishment Fund or any other provision in this section.

ALTERNATIVE FUEL TRANSPORTATION GRANT FUND

Notwithstanding Chapter 166. of the Revised Code, an amount not to exceed \$1,000,000 in cash each fiscal year shall be transferred from moneys in the Facilities Establishment Fund (Fund 037) to the Alternative Fuel Transportation Grant Fund (Fund 5CG) in the Department of Development.

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, 2009. 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 an amount not to exceed \$3,000,000 in cash each fiscal year 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 an amount not to exceed \$3,000,000 in cash each fiscal year 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.

SECTION 263.20.90. CLEAN OHIO OPERATING EXPENSES

The foregoing appropriation item 195-663, Clean Ohio Operating, shall be used by the Department of Development in administering sections 122.65 to 122.658 of the Revised Code.

THIRD FRONTIER OPERATING

The foregoing appropriation item 195-686, Third Frontier Operating, shall be used for operating expenses incurred by the Department of Development in administering sections 184.10 to 184.20 of the Revised Code.

THIRD FRONTIER RESEARCH & DEVELOPMENT PROJECTS AND RESEARCH & DEVELOPMENT TAXABLE BOND PROJECTS

The foregoing appropriation items 195-687, Third Frontier Research & Development Projects, and 195-692, Research & Development Taxable Bond Projects, shall be used by the Department of Development to fund selected projects pursuant to sections 184.10 to 184.20 of the Revised Code. These projects are designated as costs of research and development projects to which the proceeds of the Third Frontier Research and Development Fund (Fund 011) and the Research & Development Taxable Bond Project Fund (Fund 014) are to be applied.

Of the foregoing appropriation items 195-687, Third Frontier Research

and Development Projects, and 195-692, Research & Development Taxable Bond Projects, up to \$8,600,000 in fiscal year 2008, shall be used by the Office of Information Technology, in partnership with the Ohio Supercomputer Center's OSCnet, to acquire the equipment and services necessary to migrate state agencies' network to the existing OSCnet network backbone. This state network shall be known as the NextGen Network.

The proposal for the NextGen Network shall be subject to the process for rating and ranking of projects by the Third Frontier Commission pursuant to Chapter 184. of the Revised Code. The proposal shall compete among other proposals and be merit-selected based upon existing criteria for all Third Frontier-eligible projects. If selected by the Third Frontier Commission, funding for the NextGen Network shall be subject to approval by the Controlling Board.

Notwithstanding sections 184.10 to 184.20 of the Revised Code, up to \$20,000,000 in fiscal year 2009 from the total of the amounts in appropriation items 195-687, Third Frontier Research & Development Projects, and 195-692, Research & Development Taxable Bond Projects, shall be used to fund the Ohio Research Scholars Program in the Board of Regents pursuant to sections 3333.60 to 3333.70 of the Revised Code.

Notwithstanding sections 184.10 to 184.20 of the Revised Code, at the direction of the Director of Budget and Management up to \$18,000,000 in each fiscal year from appropriation item 195-687, Third Frontier Research & Development Projects, and appropriation item 195-692, Research & Development Taxable Bond Projects, shall be used to fund the Research Incentive Program in the Board of Regents.

On or before June 30, 2008, any unencumbered balances of the foregoing appropriation items 195-687, Third Frontier Research & Development Projects, and 195-692, Research & Development Taxable Bond Projects, for fiscal year 2008 are hereby appropriated for the same purposes for fiscal year 2009.

AUTHORITY TO ISSUE AND SELL ORIGINAL OBLIGATIONS

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 particularly sections 151.01 and 151.10 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$150,000,000. The authorized obligations shall be issued and sold from time to time and in amounts necessary to ensure sufficient moneys to the credit of the Third Frontier Research & Development Fund (Fund 011) to pay costs of research and development projects.

JOB READY SITE OPERATING

The foregoing appropriation item 195-688, Job Ready Site Operating, shall be used for operating expenses incurred by the Department of Development in administering sections 122.085 to 122.0820 of the Revised Code. Operating expenses include, but are not limited to, certain expenses of the District Public Works Integrating Committees, audit and accountability activities, and costs associated with formal certifications verifying that site infrastructure is in place and is functional.

SECTION 263.20.95. THIRD FRONTIER BIOMEDICAL RESEARCH AND COMMERCIALIZATION PROGRAM

The General Assembly and the Governor recognize the role that the biomedical industry has in job creation, innovation, and economic development throughout Ohio. It is the intent of the General Assembly, the Governor, the Director of Development and the Director of Budget and Management to work together to continue to provide comprehensive state support for the biomedical industry as a whole through the Third Frontier Biomedical Research and Commercialization Program.

SECTION 263.30.10. UNCLAIMED FUNDS TRANSFER

(A) Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, prior to June 30, 2008, shall transfer to the Job Development Initiatives Fund (Fund 5AD) an amount not to exceed \$5,000,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, prior to June 30, 2009, shall transfer to the Job Development Initiatives Fund (Fund 5AD) an amount not to exceed \$24,400,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

(B) Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, prior to June 30, 2008, shall transfer to the State Special Projects Fund (Fund 4F2) an amount not to exceed \$2,500,000 of

the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, prior to June 30, 2009, shall transfer to the State Special Projects Fund (Fund 4F2) an amount not to exceed \$2,500,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

SECTION 263.30.20. WORKFORCE DEVELOPMENT

The Director of Development and the Director of Job and Family Services may enter into one or more interagency agreements between the two departments, hire staff, transfer staff, assign duties to staff, enter into contracts, transfer assets, and take other actions the directors consider necessary to provide services and assistance as necessary to integrate workforce development into a larger economic development strategy, to implement the recommendations of the Workforce Policy Board, and to perform activities related to the transition of the administration of employment programs identified by the board. Subject to the approval of the Director of Budget and Management, the Department of Development and the Department of Job and Family Services may expend funds to support the recommendations of the Workforce Policy Board in the area of integration of employment functions as described in this paragraph and to provide implementation and transition activities from the appropriations to those departments.

SECTION 263.30.30. COMMISSION ON THE FUTURE OF HEALTH CARE EDUCATION AND PHYSICIAN RETENTION IN NW OH

(A) Whereas, There is a physician shortage, particularly in certain specialties, that is predicted to worsen within the next decade; and

Whereas, This shortage may worsen as a result of, among other factors, fewer than ten per cent of new graduates from the University of Toledo who choose to continue their training in northwest Ohio; and

Whereas, Many of the problems confronting physician training at the graduate medical education level are already manifest in northwest Ohio; and

Whereas, It is prudent to examine the physician shortage using

northwest Ohio as a microcosm for the entire state of Ohio; now therefore be it

Resolved by the Ohio General Assembly that there is hereby created the Commission on the Future of Health Care Education and Physician Retention in NW OH.

(B) The Commission shall be composed of the following members:

(1) Six representatives of health care providers in northwest Ohio, none of whom shall be from the same organization;

(2) Six representatives of the health care profession in northwest Ohio, composed of the following individuals:

(a) One from the College of Medicine at the University of Toledo;

(b) One from the northwest Ohio chapter of the Ohio Nurses Association;

(c) One from the Academy of Medicine of Toledo and Lucas County;

(d) One from the Northwest Ohio Pediatric Society;

(e) One geriatric medicine physician; and

(f) One osteopathic physician affiliated with Ohio University College of Osteopathic Medicine.

(3) Three representatives from northwest Ohio business and labor organizations, composed of the following individuals:

(a) One from the Toledo Area Regional Chamber of Commerce;

(b) One from the labor community of northwest Ohio; and

(c) One from the health insurance industry.

(4) Three representatives of health care consumers in northwest Ohio, none of whom shall be currently employed or affiliated with a health system or health insurer.

(5) Nine representatives of state and local government, composed of the following individuals:

(a) Two members of the Ohio House of Representatives, one from the minority party and one from the majority party;

(b) Two members of the Ohio Senate, one from the minority party and one from the majority party;

(c) One township trustee of northwest Ohio;

(d) Two representatives of northwest Ohio municipal corporations, only one of whom shall be from the City of Toledo;

(e) Two representatives of county commissioners, only one of whom shall be from Lucas County.

(C) Members of the committee shall be appointed as follows:

(1) For those members described in divisions (B)(1) and (2) of this section, two each by the Governor, the Speaker of the House of

Representatives, and the President of the Senate;

(2) For those members described in divisions (B)(3) and (4) of this section, one each by the Governor, the Speaker of the House of Representatives, and the President of the Senate;

(3) For those members described in division (B)(5), three each by the Governor, the Speaker of the House of Representatives, and the President of the Senate.

(D) Members of the Commission shall be appointed not later than 30 days after the effective date of this section and shall first meet not later than 30 days after all appointments have been made. At its first meeting, the commission shall elect from among its members who are members of the Senate and House of Representatives a chairperson and vice-chairperson.

Members of the commission shall serve without compensation, but may solicit on behalf of the Commission public and private funds to defray any costs of the Commission. The Commission shall meet at the call of the chairperson to conduct its official business. A majority of members shall constitute a quorum and a quorum shall be necessary to conduct any activities of the Commission.

(E) The Toledo Community Foundation or a similar organization shall provide meeting space and administrative support for the Commission. The Ohio Board of Regents shall serve as a resource to the Commission.

(F) The Commission shall prepare a report that examines and makes recommendations regarding the graduate medical education system in northwest Ohio, including:

(1) Ways to increase the number and retention of medical graduates in northwest Ohio;

(2) The status of the health care workforce in northwest Ohio;

(3) The role of the University of Toledo in the health care education of the surrounding region;

(4) Potential changes in federal and state statutes and rules regarding Medicaid support of graduate medical education; and

(5) Policy initiatives that the Governor and General Assembly may consider to strengthen graduate medical education opportunities and physician retention in northwest Ohio.

(G) The Commission shall, not later than nine months after the effective date of this section, submit to the Governor and General Assembly the report and recommendations prepared under division (F) of this section. On submission of the report, the Commission shall cease to exist.

SECTION 265.10. OBD OHIO BOARD OF DIETETICS

General Services Fund Group

4K9 860-609 Operating Expenses	\$	342,501	\$	348,964
TOTAL GSF General Services Fund Group	\$	342,501	\$	348,964
TOTAL ALL BUDGET FUND GROUPS	\$	342,501	\$	348,964

SECTION 267.10. CDR COMMISSION ON DISPUTE RESOLUTION AND CONFLICT MANAGEMENT**General Revenue Fund**

GRF 145-401 Commission Operations	\$	455,123	\$	460,000
TOTAL GRF General Revenue Fund	\$	455,123	\$	460,000

General Services Fund Group

4B6 145-601 Dispute Resolution Programs	\$	140,000	\$	140,000
TOTAL GSF General Services Fund Group	\$	140,000	\$	140,000
TOTAL ALL BUDGET FUND GROUPS	\$	595,123	\$	600,000

SECTION 269.10. EDU DEPARTMENT OF EDUCATION**General Revenue Fund**

GRF 200-100 Personal Services	\$	11,533,494	\$	12,110,169
GRF 200-320 Maintenance and Equipment	\$	4,549,479	\$	4,778,203
GRF 200-408 Early Childhood Education	\$	31,002,195	\$	36,502,195
GRF 200-410 Educator Training	\$	19,628,817	\$	20,628,817
GRF 200-416 Career-Technical Education Match	\$	2,233,195	\$	2,233,195
GRF 200-420 Computer/Application/Network Development	\$	5,536,362	\$	5,793,700
GRF 200-421 Alternative Education Programs	\$	14,910,665	\$	13,110,665
GRF 200-422 School Management Assistance	\$	3,360,572	\$	3,375,572
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	\$	7,197,730	\$	7,197,730
GRF 200-431 School Improvement Initiatives	\$	21,589,235	\$	21,924,235
GRF 200-433 Literacy Improvement-Professional Development	\$	15,515,000	\$	15,515,000
GRF 200-437 Student Assessment	\$	77,150,819	\$	76,187,144
GRF 200-439 Accountability/Report Cards	\$	7,096,040	\$	8,223,540
GRF 200-442 Child Care Licensing	\$	1,302,495	\$	1,302,495
GRF 200-446 Education Management Information System	\$	16,110,510	\$	16,586,082
GRF 200-447 GED Testing	\$	1,544,360	\$	1,544,360
GRF 200-448 Educator Preparation	\$	1,301,000	\$	1,301,000
GRF 200-455 Community Schools	\$	1,533,661	\$	1,533,661
GRF 200-457 STEM Initiatives	\$	10,000,000	\$	10,000,000

Am. Sub. H. B. No. 119

1546

GRF 200-502	Pupil Transportation	\$	424,783,117	\$	429,030,948
GRF 200-503	Bus Purchase Allowance	\$	14,000,000	\$	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	\$	131,740,457	\$	135,692,670
GRF 200-514	Postsecondary Adult Career-Technical Education	\$	19,481,875	\$	19,481,875
GRF 200-521	Gifted Pupil Program	\$	47,608,030	\$	48,008,613
GRF 200-532	Nonpublic Administrative Cost Reimbursement	\$	59,810,517	\$	61,604,832
GRF 200-536	Ohio Core Support	\$	7,700,000	\$	15,125,000
GRF 200-540	Special Education Enhancements	\$	138,869,945	\$	140,006,839
GRF 200-545	Career-Technical Education Enhancements	\$	9,298,651	\$	9,373,926
GRF 200-550	Foundation Funding	\$	5,761,699,328	\$	6,034,943,246
GRF 200-566	Literacy Improvement-Classroom Grants	\$	12,062,336	\$	12,062,336
GRF 200-578	Violence Prevention and School Safety	\$	1,218,555	\$	1,218,555
GRF 200-901	Property Tax Allocation - Education	\$	794,583,404	\$	850,868,654
GRF 200-906	Tangible Tax Exemption - Education	\$	21,415,244	\$	10,707,622
TOTAL GRF General Revenue Fund		\$	7,748,106,952	\$	8,092,712,743
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	\$	5,966,032	\$	6,323,994
452 200-638	Miscellaneous Educational Services	\$	273,166	\$	279,992
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		\$	33,201,050	\$	33,565,838
Federal Special Revenue Fund Group					
3AF 200-603	Schools Medicaid Administrative Claims	\$	486,000	\$	639,000
3BK 200-628	Longitudinal Data Systems	\$	1,795,570	\$	307,050
3BV 200-636	Character Education	\$	700,000	\$	700,000
3CF 200-644	Foreign Language Assistance	\$	85,000	\$	285,000
3CG 200-646	Teacher Incentive Fund	\$	6,552,263	\$	3,994,338
3C5 200-661	Early Childhood Education	\$	18,989,779	\$	18,989,779
3D1 200-664	Drug Free Schools	\$	13,347,966	\$	13,347,966
3D2 200-667	Honors Scholarship Program	\$	6,573,968	\$	6,665,000
3H9 200-605	Head Start Collaboration Project	\$	275,000	\$	275,000

Am. Sub. H. B. No. 119

1547

3L6	200-617	Federal School Lunch	\$	244,714,211	\$	249,903,970
3L7	200-618	Federal School Breakfast	\$	63,927,606	\$	69,041,814
3L8	200-619	Child/Adult Food Programs	\$	69,280,946	\$	70,691,653
3L9	200-621	Career-Technical Education Basic Grant	\$	48,029,701	\$	48,029,701
3M0	200-623	ESEA Title 1A	\$	415,000,000	\$	420,000,000
3M1	200-678	Innovative Education	\$	5,369,100	\$	5,363,706
3M2	200-680	Individuals with Disabilities Education Act	\$	500,000,000	\$	405,000,000
3S2	200-641	Education Technology	\$	10,000,000	\$	5,000,000
3T4	200-613	Public Charter Schools	\$	13,850,827	\$	14,212,922
3Y2	200-688	21st Century Community Learning Centers	\$	30,681,554	\$	30,681,554
3Y4	200-632	Reading First	\$	35,215,798	\$	31,215,798
3Y6	200-635	Improving Teacher Quality	\$	102,692,685	\$	102,698,246
3Y7	200-689	English Language Acquisition	\$	8,000,000	\$	8,000,000
3Y8	200-639	Rural and Low Income Technical Assistance	\$	1,500,000	\$	1,500,000
3Z2	200-690	State Assessments	\$	12,883,799	\$	12,883,799
3Z3	200-645	Consolidated Federal Grant Administration	\$	8,500,000	\$	8,500,000
309	200-601	Educationally Disadvantaged Programs	\$	12,750,000	\$	8,750,000
366	200-604	Adult Basic Education	\$	19,425,000	\$	20,396,250
367	200-607	School Food Services	\$	5,849,748	\$	6,088,737
368	200-614	Veterans' Training	\$	710,373	\$	745,892
369	200-616	Career-Technical Education Federal Enhancement	\$	5,000,000	\$	5,000,000
370	200-624	Education of Exceptional Children	\$	1,811,520	\$	575,454
374	200-647	Troops to Teachers	\$	100,000	\$	100,000
378	200-660	Learn and Serve	\$	1,561,954	\$	1,561,954
TOTAL FED Federal Special Revenue Fund Group			\$	1,665,660,368	\$	1,571,144,583
State Special Revenue Fund Group						
4R7	200-695	Indirect Operational Support	\$	5,449,748	\$	5,810,464
4V7	200-633	Interagency Operational Support	\$	392,100	\$	376,423
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	\$	1,250,000	\$	1,250,000
5BJ	200-626	Half-Mill Maintenance Equalization	\$	10,700,000	\$	10,700,000
5U2	200-685	National Education Statistics	\$	300,000	\$	300,000
5W2	200-663	Early Learning Initiative	\$	2,200,000	\$	2,200,000
598	200-659	Auxiliary Services Reimbursement	\$	1,328,910	\$	1,328,910
620	200-615	Educational Improvement Grants	\$	3,000,000	\$	3,000,000
TOTAL SSR State Special Revenue Fund Group			\$	49,020,758	\$	49,365,797
Lottery Profits Education Fund Group						

Am. Sub. H. B. No. 119

1548

017	200-612	Foundation Funding	\$	666,198,000	\$	667,900,000
017	200-682	Lease Rental Payment Reimbursement	\$	22,702,000	\$	0
TOTAL LPE Lottery Profits Education Fund Group			\$	688,900,000	\$	667,900,000
Revenue Distribution Fund Group						
047	200-909	School District Property Tax Replacement-Business	\$	611,596,856	\$	763,316,819
053	200-900	School District Property Tax Replacement-Utility	\$	91,123,523	\$	91,123,523
TOTAL RDF Revenue Distribution Fund Group			\$	702,720,379	\$	854,440,342
TOTAL ALL BUDGET FUND GROUPS			\$	10,887,609,507	\$	11,269,129,303

SECTION 269.10.10. PERSONAL SERVICES

The foregoing appropriation item 200-100, Personal Services, may be used to pay fees for the Department's membership in the Education Commission of the States, an interstate nonprofit, nonpartisan organization that supports states with the development of education policy.

Of the foregoing appropriation item 200-100, Personal Services, up to \$25,000 may be expended in each fiscal year for the State Board of Education to pay for outside professionals to help inform the Board on topics of education policy.

SECTION 269.10.20. EARLY CHILDHOOD EDUCATION

The Department of Education shall distribute the foregoing appropriation item 200-408, Early Childhood Education, to pay the costs of early childhood education programs.

(A) As used in this section:

(1) "Provider" means a city, local, exempted village, or joint vocational school district, or an educational service center.

(2) In the case of a city, local, or exempted village school district, "new eligible provider" means a district that is eligible for poverty-based assistance under section 3317.029 of the Revised Code.

(3) "Eligible child" means a child who is at least three years of age, is not of the age to be eligible for kindergarten, and whose family earns not more than two hundred per cent of the federal poverty guidelines.

(B) In each fiscal year, up to two per cent of the total appropriation may be used by the Department for program support and technical assistance. The Department shall distribute the remainder of the appropriation in each fiscal year to serve eligible children.

(C) The Department shall provide an annual report to the Governor, the

Speaker of the House of Representatives, and the President of the Senate and post the report to the Department's web site, regarding early childhood education programs operated under this section and the early learning program guidelines for school readiness.

(D) After setting aside the amounts to make payments due from the previous fiscal year, in fiscal year 2008, the Department shall distribute funds first to recipients of funds for early childhood education programs under Section 206.09.06 of Am. Sub. H.B. 66 of the 126th General Assembly in the previous fiscal year and the balance to new eligible providers of early childhood education programs under this section. However, the total amount of funds distributed in fiscal year 2008 to all providers that received funds for early childhood education programs in fiscal year 2007 shall not exceed \$18,622,151, unless the number of new eligible providers that notifies the Department of their interest in establishing early childhood education programs is insufficient to expend all available funding. In that case, the Department may direct available funding to providers that received funds for early childhood education programs in fiscal year 2007 for purposes of program expansion, improvement, or special projects to promote quality and innovation.

After setting aside the amounts to make payments due from the previous fiscal year, in fiscal year 2009, the Department shall distribute funds first to providers of early childhood education programs under this section in the previous fiscal year and the balance to new eligible providers. However, the total amount of funds distributed in fiscal year 2009 to all providers that received funds for early childhood education programs in fiscal year 2007 shall not exceed \$18,622,151, unless the number of providers that received funding in fiscal year 2008 and new eligible providers that notify the Department of their interest in establishing early childhood education programs is insufficient to expend all available funding. In that case, the Department may direct available funding to providers that received funds for early childhood education programs in fiscal year 2007 or 2008 for purposes of program expansion, improvement, or special projects to promote quality and innovation.

In each of fiscal years 2008 and 2009, if funding is insufficient to serve all new eligible providers that notify the Department of their interest in establishing early childhood education programs, the Department shall determine which of those providers will receive funds using a selection process that first gives preference to providers that, as of March 15, 2007, did not offer early childhood education programs, but that had offered early childhood education programs or public preschool programs for some time

after June 30, 2000, and second to providers that demonstrate a need for early childhood education programs, as determined by the Department. Demonstration of need shall include having higher rates of eligible children to be served.

Awards under this section shall be distributed on a per-pupil basis, and in accordance with division (H) of this section. The Department may adjust the per-pupil amount so that the per-pupil amount multiplied by the number of eligible children enrolled and receiving services, as defined by the Department, reported on the first day of December or the first business day following that date equals the amount allocated under this section.

(E) Costs for developing and administering an early childhood education program may not exceed fifteen per cent of the total approved costs of the program.

All providers shall maintain such fiscal control and accounting procedures as may be necessary to ensure the disbursement of, and accounting for, these funds. The control of funds provided in this program, and title to property obtained therefrom, shall be under the authority of the approved provider for purposes provided in the program unless, as described in division (J) of this section, the program waives its right for funding or a program's funding is eliminated or reduced due to its inability to meet financial or early learning program guidelines for school readiness. The approved provider shall administer and use such property and funds for the purposes specified.

(F) The Department may examine a provider's financial and program records. If the financial practices of the program are not in accordance with standard accounting principles or do not meet financial standards outlined under division (E) of this section, or if the program fails to substantially meet the early learning program guidelines for school readiness or exhibits below average performance as measured against the guidelines, the early childhood education program shall propose and implement a corrective action plan that has been approved by the Department. The approved corrective action plan shall be signed by the chief executive officer and the executive of the official governing body of the provider. The corrective action plan shall include a schedule for monitoring by the Department. Such monitoring may include monthly reports, inspections, a timeline for correction of deficiencies, and technical assistance to be provided by the Department or obtained by the early childhood education program. The Department may withhold funding pending corrective action. If an early childhood education program fails to satisfactorily complete a corrective action plan, the Department may deny expansion funding to the program or

withdraw all or part of the funding to the program and establish a new eligible provider through a selection process established by the Department.

(G) Each early childhood education program shall do all of the following:

(1) Meet teacher qualification requirements prescribed by section 3301.311 of the Revised Code;

(2) Align curriculum to the early learning content standards;

(3) Meet any assessment requirements prescribed by section 3301.0715 of the Revised Code that are applicable to the program;

(4) Require teachers, except teachers enrolled and working to obtain a degree pursuant to section 3301.311 of the Revised Code, to attend a minimum of twenty hours every two years of professional development as prescribed by the Department regarding the implementation of early learning program guidelines for school readiness;

(5) Document and report child progress;

(6) Meet and report compliance with the early learning program guidelines for school readiness;

(7) Participate in early language and literacy classroom observation evaluation studies.

(H) This division applies only to early childhood education programs established on or after March 15, 2007.

Per-pupil funding for programs subject to this division shall be sufficient to provide eligible children with services for one-half of the statewide average length of the school day, as determined by the Department, for one hundred eighty-two days each school year. Nothing in this section shall be construed to prohibit program providers from utilizing other funds to serve eligible children in programs that exceed the statewide average length of the school day or that exceed one hundred eighty-two days in a school year.

(I) Each provider shall develop a sliding fee scale based on family incomes and shall charge families who earn more than the federal poverty guidelines for the early childhood education program.

(J) If an early childhood education program voluntarily waives its right for funding, or has its funding eliminated for not meeting financial standards or the early learning program guidelines for school readiness, the provider shall transfer control of title to property, equipment, and remaining supplies obtained through the program to providers designated by the Department and return any unexpended funds to the Department along with any reports prescribed by the Department. The funding made available from a program that waives its right for funding or has its funding eliminated or reduced

may be used by the Department for new grant awards or expansion grants. The Department may award new grants or expansion grants to eligible providers who apply. The eligible providers who apply must do so in accordance with the selection process established by the Department.

(K) As used in this section, "early learning program guidelines for school readiness" means the guidelines established by the Department pursuant to division (C)(3) of Section 206.09.54 of Am. Sub. H.B. 66 of the 126th General Assembly.

SECTION 269.10.30. EDUCATOR TRAINING

The foregoing appropriation item 200-410, Educator Training, shall be used to fund professional development programs in Ohio. The Department of Education shall, when possible, incorporate cultural competency as a component of professional development and actively promote the development of cultural competency in the operation of its professional development programs. As used in this section, "cultural competency" has the meaning specified by the Educator Standards Board under section 3319.61 of the Revised Code.

Of the foregoing appropriation item 200-410, Educator Training, up to \$9,250,000 in fiscal year 2008 and up to \$10,250,000 in fiscal year 2009 shall be used by the Department of Education to provide grants to pay \$2,225 of the application fee in order to assist teachers from public and chartered nonpublic schools applying for the first time to the National Board for Professional Teaching Standards for professional teaching certificates or licenses that the board offers. These moneys shall be used to pay up to the first 400 applications in each fiscal year received by the Department. This set aside shall also be used to recognize and reward teachers who become certified by the National Board for Professional Teaching Standards under section 3319.55 of the Revised Code. Up to \$300,000 in each fiscal year of this set aside may be used by the Department to pay for costs associated with activities to support candidates through the application and certification process. Up to \$39,500 of this set aside in each fiscal year may be used to support the application fee for candidates participating in the Take One program for beginning teachers in years two and three.

Of the foregoing appropriation item 200-410, Educator Training, up to \$9,515,817 in each fiscal year shall be allocated for entry year teacher and principal programs. These funds shall be used to support mentoring services and performance assessments of beginning teachers and principals in school districts and chartered nonpublic schools.

Of the foregoing appropriation item 200-410, Educator Training, up to

\$200,000 in each fiscal year shall be used to provide technical assistance and grants for districts to develop local knowledge/skills-based compensation systems. Each district receiving grants shall issue an annual report to the Department of Education detailing the use of the funds and the impact of the system developed by the district.

Of the foregoing appropriation item 200-410, Educator Training, up to \$350,000 in each fiscal year shall be used for training and professional development of school administrators, school treasurers, and school business officials.

Of the foregoing appropriation item 200-410, Educator Training, up to \$63,000 in each fiscal year shall be used to support the Ohio University Leadership Program.

Of the foregoing appropriation item 200-410, Educator Training, \$250,000 in each fiscal year shall be used to support the Ohio School Leadership Institute.

SECTION 269.10.40. CAREER-TECHNICAL EDUCATION MATCH

The foregoing appropriation item 200-416, Career-Technical Education Match, shall be used by the Department of Education to provide vocational administration matching funds under 20 U.S.C. 2311.

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. Funds may also be used to support data-driven decision-making and differentiated instruction, as well as to communicate academic content standards and curriculum models to schools through web-based applications.

SECTION 269.10.50. ALTERNATIVE EDUCATION PROGRAMS

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 \$6,161,074 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 \$272,281 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, \$100,000 in each fiscal year shall be used to support the Toledo Tech Academy. Of this amount, \$25,000 in each fiscal year shall be used by the Toledo Tech Academy to enhance and establish For Inspiration and Recognition in Science and Technology programs. (F.I.R.S.T.)

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$2,000,000 in fiscal year 2008 shall be used to support Improved Solutions for Urban Students (ISUS).

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$100,000 in each fiscal year shall be provided to the Cincinnati Arts and Technology Center to increase program support for high-risk teens and unemployed urban adults.

Of the foregoing appropriation item 200-421, Alternative Education Programs, \$50,000 in fiscal year 2008 and \$250,000 in fiscal year 2009 shall be used for the administration of the Special Education Scholarship Pilot

Program established under section 3310.52 of the Revised Code.

SECTION 269.10.60. SCHOOL MANAGEMENT ASSISTANCE

Of the foregoing appropriation item 200-422, School Management Assistance, up to \$1,715,000 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 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.

Of the foregoing appropriation item 200-422, School Management Assistance, up to \$250,000 in each fiscal year shall be used by the Department of Education to work with school districts and entities that serve school districts to develop and deploy analytical tools that allow districts and other stakeholders to analyze more thoroughly district spending patterns in order to promote more effective and efficient use of resources. Quarterly updates of the progress for implementation of these tools shall be provided to the Governor, and the Department shall give due diligence to implementing these tools in the shortest reasonable timeline.

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.

SECTION 269.10.70. 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.

SECTION 269.10.80. 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 information technology centers 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 information technology centers 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 \$2,469,223 in each fiscal year shall be used for the Union Catalog and InfOhio Network and to support the provision of electronic resources with priority given to resources that support the teaching of state academic content standards in 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.

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 information technology centers, 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.

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 information technology centers 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.

SECTION 269.10.90. ACADEMIC STANDARDS

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.

Of the foregoing appropriation item 200-427, Academic Standards, \$50,000 in each fiscal year shall be provided to the Art Academy of Cincinnati to support technology needs for the annual operation of its undergraduate, graduate, and noncredit programs and for administrative staff support.

The remainder of appropriation item 200-427, Academic Standards, shall be used by the Department of Education to develop, revise, and communicate to school districts academic content standards and curriculum models. The Department may also use the remainder to develop program models that demonstrate how the academic content standards can be implemented in high school classrooms and to offer online continuing education courses. The Department of Education may also use the remainder to support the coordination of Physical Education standards.

SECTION 269.20.10. SCHOOL IMPROVEMENT INITIATIVES

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$450,000 in each fiscal year 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 support 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 \$10,387,835 in each fiscal year shall be used to support districts in the development and implementation of their continuous improvement plans as required in section 3302.04 of the Revised Code 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. This

funding shall serve as a supplement to the funds provided under division (K) of section 3317.029 of the Revised Code, which represents state support for school improvement initiatives that assist school districts in closing the achievement gap.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, up to \$236,250 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, up to \$7,988,985 in fiscal year 2008 and up to \$8,323,985 in fiscal year 2009 shall be used to redesign high schools and improve urban schools. This funding may be used for a pilot program in partnership with nonprofit groups with expertise in converting existing large urban high schools into small, personalized high schools. Districts eligible for such pilot 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. The funding may also be used for administrative costs to redesign high schools and improve urban schools and 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 for early college high schools 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 \$75,000 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, up to \$600,000 in each fiscal year shall be used by the Department of Education to support start-up costs for gaining business and industry credentialing program accreditation and to support the development of a data collection system across the numerous industry test providers. Funds shall also be used to help subsidize the cost of student participation in industry assessments, provide research on industry assessments for

alignment to industry-established content standards, provide professional development opportunities for educators, and prepare schools and adult centers to organize for credential alignment and delivery.

Of the foregoing appropriation item 200-431, School Improvement Initiatives, \$250,000 in each fiscal year shall be used to support Amer-I-Can.

SECTION 269.20.20. LITERACY IMPROVEMENT-PROFESSIONAL DEVELOPMENT

Of the foregoing appropriation item 200-433, Literacy Improvement-Professional Development, up to \$9,290,000 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, Literacy 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, Literacy Improvement - Professional Development, \$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, Literacy Improvement-Professional Development, \$100,000 in each fiscal year shall be provided to the Contemporary Arts Center for art education for children and a children's museum.

The remainder of appropriation item 200-433, Literacy Improvement-Professional Development, shall be used by the Department of Education to provide administrative support of literacy professional development programs. Upon approval of the Controlling Board, the Department may also use the remainder to contract with an external evaluator on the effectiveness of literacy professional development initiatives in the academic achievement of students.

STUDENT ASSESSMENT

Of the foregoing appropriation item 200-437, Student Assessment, up to \$207,364 in fiscal year 2008 and up to \$212,486 in fiscal year 2009 may be

used to support the assessments required under section 3301.0715 of the Revised Code.

The remainder of 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. If funds remain in this appropriation after these purposes have been fulfilled, the Department may use the remainder of the appropriation to develop end-of-course exams.

SECTION 269.20.30. ACCOUNTABILITY/REPORT CARDS

Of the foregoing appropriation item 200-439, Accountability/Report Cards, up to \$3,028,540 in each fiscal year shall be used to train district and regional specialists and district educators in the use of the value-added progress dimension and in the use of data as it relates to improving student achievement. This funding shall be used in consultation with a credible nonprofit organization with expertise in value-added progress dimensions.

The remainder of appropriation item 200-439, Accountability/Report Cards, shall be used by the Department to incorporate a statewide pilot value-added progress dimension into performance ratings for school districts and 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.

SECTION 269.20.40. EDUCATION MANAGEMENT INFORMATION SYSTEM

The foregoing appropriation item 200-446, Education Management Information System, shall be used by the Department of Education to improve the Education Management Information System (EMIS).

Of the foregoing appropriation item 200-446, Education Management Information System, up to \$1,338,620 in fiscal year 2008 and up to \$1,372,085 in fiscal year 2009 shall be distributed to designated information technology centers for costs relating to processing, storing, and transferring data for the effective operation of the EMIS. These costs may include, but

are not limited to, personnel, hardware, software development, communications connectivity, professional development, and support services, and to provide services to participate in the State Education Technology Plan pursuant to section 3301.07 of the Revised Code.

Of the foregoing appropriation item 200-446, Education Management Information System, up to \$8,256,569 in fiscal year 2008 and up to \$8,462,984 in fiscal year 2009 shall be distributed on a per-pupil basis to school districts, community schools established under Chapter 3314. of the Revised Code, educational service centers, joint vocational school districts, and any other education entity that reports data through EMIS. From this funding, each school district or community school established under Chapter 3314. of the Revised Code with enrollment greater than 100 students and each vocational school district shall receive a minimum of \$5,000 in each fiscal year. Each school district or community school established under Chapter 3314. of the Revised Code with enrollment between one and one hundred and each educational service center and each county board of MR/DD that submits data through EMIS shall receive \$3,000 in each fiscal year. This subsidy shall be used for costs relating to reporting, processing, storing, transferring, and exchanging data necessary to meet requirements of the Department of Education's data system.

The remainder of appropriation item 200-446, Education Management Information System, shall be used to develop and support a common core of data definitions and standards as adopted by the Education Management Information System Advisory Board, including the ongoing development and maintenance of the data dictionary and data warehouse. In addition, such funds shall be used to support the development and implementation of data standards and the design, development, and implementation of a new data exchange system.

Any provider of software meeting the standards approved by the Education Management Information System Advisory Board shall be designated as an approved vendor and may enter into contracts with local school districts, community schools, information technology centers, or other educational entities for the purpose of collecting and managing data required under Ohio's education management information system (EMIS) laws. On an annual basis, the Department of Education shall convene an advisory group of school districts, community schools, and other education-related entities to review the Education Management Information System data definitions and data format standards. The advisory group shall recommend changes and enhancements based upon surveys of its members, education agencies in other states, and current industry practices, to reflect

best practices, align with federal initiatives, and meet the needs of school districts.

School districts and community schools not implementing a common and uniform set of data definitions and data format standards for Education Management Information System purposes shall have all EMIS funding withheld until they are in compliance.

SECTION 269.20.50. GED TESTING

The foregoing appropriation item 200-447, GED Testing, shall be used to provide General Educational Development (GED) testing at no cost to applicants, under rules adopted by the State Board of Education. The Department of Education shall reimburse school districts and community schools, created under Chapter 3314. of the Revised Code, for a portion of the costs incurred in providing summer instructional or intervention services to students who have not graduated because of their inability to pass one or more parts of the state's Ohio Graduation Test or ninth grade proficiency test. School districts shall also provide such services to students who are residents of the district under section 3313.64 of the Revised Code, but who are enrolled in chartered, nonpublic schools. The services shall be provided in the public school, in nonpublic schools, in public centers, or in mobile units located on or off the nonpublic school premises. No school district shall provide summer instructional or intervention services to nonpublic school students as authorized by this section unless such services are available to students attending the public schools within the district. No school district shall provide services for use in religious courses, devotional exercises, religious training, or any other religious activity. Chartered, nonpublic schools shall pay for any unreimbursed costs incurred by school districts for providing summer instruction or intervention services to students enrolled in chartered, nonpublic schools. School districts may provide these services to students directly or contract with postsecondary or nonprofit community-based institutions in providing instruction.

SECTION 269.20.60. EDUCATOR PREPARATION

The foregoing appropriation item 200-448, Educator Preparation, may be used by the Department to support the Educator Standards Board under section 3319.61 of the Revised Code as it develops and recommends to the State Board of Education standards for educator training and standards for teacher and other school leadership positions. Any remaining funds may be used by the Department to develop alternative preparation programs for

school leaders.

SECTION 269.20.70. COMMUNITY SCHOOLS

Of the foregoing appropriation item 200-455, Community Schools, up to \$1,308,661 in each fiscal year may be used by the Department of Education for additional services and responsibilities under section 3314.11 of the Revised Code.

Of the foregoing appropriation item 200-455, Community Schools, up to \$225,000 in each fiscal year may be used by the Department of Education for developing and conducting training sessions for sponsors and prospective sponsors of community schools as prescribed in division (A)(1) of section 3314.015 of the Revised Code. In developing the training sessions, the Department shall collect and disseminate examples of best practices used by sponsors of independent charter schools in Ohio and other states.

STEM INITIATIVES

Of the foregoing appropriation item 200-457, STEM Initiatives, up to \$3,000,000 in each fiscal year shall be provided as grants to STEM schools.

Of the foregoing appropriation item 200-457, STEM Initiatives, up to \$3,283,000 in each fiscal year shall be used to support STEM Programs of Excellence.

Of the foregoing appropriation item 200-457, STEM Initiatives, \$350,000 in each fiscal year shall be used to support the Young Buckeye STEM Scholars After School and Summer Program designed by the Ohio Academy of Science.

Of the foregoing appropriation item 200-457, STEM Initiatives, up to \$2,600,000 in each fiscal year shall be used for mathematics initiatives that include, but are not limited to, intensive teacher professional development institutes that focus on classroom implementation of the mathematics standards.

Of the foregoing appropriation item 200-457, STEM Initiatives, \$200,000 in each fiscal year may be used to support the Ohio Resource Center for Math and Science.

Of the foregoing appropriation item 200-457, STEM Initiatives, 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 200-457, STEM Initiatives, \$285,000 in each fiscal year shall be used for science initiatives that include, but are not limited to, the Ohio Science Institute (OSCI).

SECTION 269.20.80. PUPIL TRANSPORTATION

Of the foregoing appropriation item 200-502, Pupil Transportation, up to \$830,624 in fiscal year 2008 and up to \$838,930 in fiscal year 2009 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 \$59,870,514 in fiscal year 2008 and up to \$60,469,220 in fiscal year 2009 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 (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 one per cent in state funding for transportation in fiscal year 2008 over what was received in fiscal year 2007, and the local share of transportation costs that is used in the calculation of the charge-off supplement under section 3317.0216 of the Revised Code and the excess cost supplement under division (F) of section 3317.022 of the Revised Code for each school district in fiscal year 2008 shall be increased by one per cent from that used in calculations in fiscal year 2007.

Notwithstanding the distribution formula outlined in division (D) of section 3317.022 of the Revised Code, each school district shall receive an additional one per cent in state funding for transportation in fiscal year 2009 over what was received in fiscal year 2008, and the local share of transportation costs that is used in the calculation of the charge-off supplement under section 3317.0216 of the Revised Code and the excess cost supplement under division (F) of section 3317.022 of the Revised Code for each school district in fiscal year 2009 shall be increased by one per cent from that used in calculations in fiscal year 2008.

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 2008 or fiscal year

2009.

SECTION 269.20.83. Not later than December 31, 2008, the Department of Education shall complete a study and submit to the General Assembly in accordance with section 101.68 of the Revised Code a report of findings regarding, and legislative and other recommendations for enhancing regional collaboration among school districts, educational service centers, community schools, and nonpublic schools in the provision of pupil transportation. The study shall include the role of educational service centers in providing pupil transportation. In conducting the study, the Department shall consult with the state regional alliance advisory board created by section 3312.11 of the Revised Code.

SECTION 269.20.90. 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 students with disabilities 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 students with disabilities.

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.

SECTION 269.30.10. ADULT LITERACY EDUCATION

The foregoing appropriation item 200-509, Adult Literacy Education, shall be used to support adult basic and literacy education instructional programs and the State Literacy Resource Center Program.

Of the foregoing appropriation item 200-509, Adult Literacy Education, up to \$488,037 in each fiscal year shall be used for the support and operation of the State Literacy Resource Center.

Of the foregoing appropriation item 200-509, Adult Literacy Education, up to \$175,000 in each fiscal year shall be used for state reimbursement to school districts for adult high school continuing education programs under

section 3313.531 of the Revised Code or for costs associated with awarding adult high school diplomas under section 3313.611 of the Revised Code.

Of the foregoing appropriation item 200-509, Adult Literacy Education, \$130,000 in each fiscal year shall be used to support initiatives for English as a Second Language programs. Funding shall be distributed as follows: \$60,000 in each fiscal year for Jewish Community Federation of Cleveland, \$25,000 in each fiscal year for Yassenoff Jewish Community Center of Columbus, \$30,000 in each fiscal year for Jewish Family Services of Cincinnati, and \$15,000 in each fiscal year for Jewish Family Services of Dayton.

The remainder of the appropriation shall be used to continue to satisfy the state match and maintenance of effort requirements for the support and operation of the Department of Education-administered instructional grant program for adult basic and literacy education in accordance with the Department's state plan for adult basic and literacy education as approved by the State Board of Education and the Secretary of the United States Department of Education.

SECTION 269.30.20. AUXILIARY SERVICES

The foregoing appropriation item 200-511, Auxiliary Services, shall be used by the Department of Education for the purpose of implementing section 3317.06 of the Revised Code. Of the appropriation, up to \$2,060,000 in fiscal year 2008 and up to \$2,121,800 in fiscal year 2009 may be used for payment of the Post-Secondary Enrollment Options Program for nonpublic students. Notwithstanding section 3365.10 of the Revised Code, the Department, in accordance with Chapter 119. of the Revised Code, shall adopt rules governing the distribution method for these funds.

POSTSECONDARY ADULT CAREER-TECHNICAL EDUCATION

Of the foregoing appropriation item 200-514, Postsecondary Adult Career-Technical Education, \$40,000 in each fiscal year shall be used for statewide coordination of the activities of the Ohio Young Farmers.

The remainder of appropriation item 200-514, Postsecondary Adult Career-Technical Education, shall be used by the State Board of Education to provide postsecondary adult career-technical education under sections 3313.52 and 3313.53 of the Revised Code.

SECTION 269.30.30. 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 (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 \$4,747,000 in fiscal year 2008 and up to \$4,794,470 in fiscal year 2009 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 \$1,015,858 in fiscal year 2008 and up to \$1,026,017 in fiscal year 2009 for the Summer Honors Institute, including funding for the Martin Essex Program, which shall be awarded through a request for proposals process.

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.

SECTION 269.30.40. OHIO CORE SUPPORT

The foregoing appropriation item 200-536, Ohio Core Support, shall be used to support implementation of the Ohio Core Program, which requires establishment of a rigorous high school curriculum for Ohio's high school students. The Department of Education and the Board of Regents shall jointly plan and work collaboratively to guide implementation of the Ohio Core Program and to administer funding to eligible school districts, fiscal agents, individuals, and programs as determined under this section. The Department of Education and the Board of Regents shall jointly agree to the awarding and expenditure of funds appropriated in this section.

Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$2,600,000 in fiscal year 2008 and up to \$3,000,000 in fiscal year 2009 shall be used to support the participation of teachers licensed in Ohio and mid-career professionals not currently employed by a school district or chartered nonpublic school or licensed to teach at the primary or secondary education levels in a twelve-month intensive training program that leads to teacher licensure in a laboratory-based science, advanced mathematics, or foreign language field at the secondary education level and employment with an Ohio school district school designated by the Department of Education as a hard to staff school.

Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$1,500,000 in fiscal year 2008 and up to \$2,100,000 in fiscal year 2009 shall be used to support alternative teacher licensure programs developed by educational service centers in partnership with institutions of higher

education. Participants shall be teachers licensed in Ohio and mid-career professionals not currently employed by a school district or chartered nonpublic school or licensed to teach at the primary or secondary education levels. Programs shall support teacher licensure in a laboratory-based science, advanced mathematics, or foreign language field at the secondary education level and employment with an Ohio school district school designated by the Department of Education as a hard to staff school. The programs shall be consistent with the State Board of Education's alternative licensure requirements.

Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$3,600,000 in each fiscal year shall be distributed to school districts, and to public fiscal agents on behalf of chartered nonpublic schools, to be used to obtain contracted instruction with institutions of higher education in advanced mathematics, laboratory-based science, or foreign language for public and chartered nonpublic high school students that results in dual high school and college credit. Costs shall be based upon reasonable expenses that institutions of higher education could incur for faculty, supplies, and other associated costs.

Of the foregoing appropriation item 200-536, Ohio Core Support, up to \$5,675,000 in fiscal year 2009 shall be distributed to public school districts for supplemental post-secondary enrollment option participation. The Partnership for Continued Learning shall make program recommendations by October 31, 2007, to the Department of Education and the Board of Regents to remove school district barriers to participation and improve the quality of course offerings, ensuring that credit earned at institutions of higher education will apply toward high school graduation requirements and associate or baccalaureate degree requirements. Eligibility requirements and grant amounts awarded to school districts in fiscal year 2009 for the program shall be determined by criteria established by the Department of Education in collaboration with the Board of Regents and the Partnership for Continued Learning.

Of the foregoing appropriation item 200-536, Ohio Core Support, \$750,000 in fiscal year 2009 shall be used for Advanced Placement (AP) Summer Institutes for one hundred fifty English, social studies, and foreign language teachers and six hundred science and mathematics teachers.

SECTION 269.30.50. SPECIAL EDUCATION ENHANCEMENTS

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$2,906,875 in each fiscal year shall be used for home instruction for children with disabilities; up to \$1,462,500 in each fiscal year

shall be used for parent mentoring programs; and up to \$2,783,396 in each fiscal year may be used for school psychology interns.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$750,000 in each fiscal year shall be used for the Out of School Initiative of Sinclair Community College.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$200,000 shall be used for a preschool special education pilot program in Bowling Green City School District.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$200,000 in each fiscal year shall be used to support the Bellefaire Jewish Children's Bureau.

Of the foregoing appropriation item 200-540, Special Education Enhancements, up to \$82,707,558 in fiscal year 2008 and up to \$83,371,505 in fiscal year 2009 shall be distributed by the Department of Education to county boards of mental retardation and developmental disabilities, educational service centers, and school districts for preschool special education units and preschool supervisory units under section 3317.052 of the Revised Code. To the greatest extent possible, the Department of Education shall allocate these units to school districts and educational service centers.

The Department may reimburse county MR/DD boards, educational service centers, and school districts for services provided by instructional assistants, related services as defined in rule 3301-51-11 of the Administrative Code, physical therapy services provided by a licensed physical therapist or physical therapist assistant under the supervision of a licensed physical therapist as required under Chapter 4755. of the Revised Code and Chapter 4755-27 of the Administrative Code and occupational therapy services provided by a licensed occupational therapist or occupational therapy assistant under the supervision of a licensed occupational therapist as required under Chapter 4755. of the Revised Code and Chapter 4755-7 of the Administrative Code. Nothing in this section authorizes occupational therapy assistants or physical therapist assistants to generate or manage their own caseloads.

The Department of Education shall require school districts, educational service centers, and county MR/DD boards serving preschool children with disabilities to document child progress using research-based indicators prescribed by the Department and report results annually. The reporting dates and method shall be determined by the Department.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$650,000 in each fiscal year shall be used for the

Collaborative Language and Literacy Instruction Project.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$325,000 in each fiscal year shall be used by the Ohio Center for Autism and Low Incidence to contract with the Delaware-Union Educational Service Center for the provision of autism transition services.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$75,000 in each fiscal year shall be used for Leaf Lake/Geauga Educational Assistance Funding.

Of the foregoing appropriation item 200-540, Special Education Enhancements, \$650,000 in each fiscal year shall be used to support Project More for one-to-one reading mentoring.

The remainder of appropriation item 200-540, Special Education Enhancements, shall be used to fund special education and related services at county boards of mental retardation and developmental disabilities for eligible students under section 3317.20 of the Revised Code and at institutions for eligible students under section 3317.201 of the Revised Code.

SECTION 269.30.60. CAREER-TECHNICAL EDUCATION ENHANCEMENTS

Of the foregoing appropriation item 200-545, Career-Technical Education Enhancements, up to \$2,509,152 in fiscal year 2008 and up to \$2,584,427 in fiscal year 2009 shall be used to fund career-technical education units at institutions.

Of the foregoing appropriation item 200-545, Career-Technical Education Enhancements, up to \$2,621,507 in each fiscal year shall be used by the Department of Education to fund competitive grants to tech prep consortia that expand the number of students enrolled in tech prep programs. These grant funds shall be used to directly support expanded tech prep programs, including equipment, provided to students enrolled in school districts, including joint vocational school districts, and affiliated higher education institutions.

Of the foregoing appropriation item 200-545, Career-Technical Education Enhancements, up to \$3,401,000 in each fiscal year shall be used by the Department of Education to support existing High Schools That Work (HSTW) sites, develop and support new sites, fund technical assistance, and support regional centers and middle school programs. The purpose of HSTW is to combine challenging academic courses and modern career-technical studies to raise the academic achievement of students. HSTW provides intensive technical assistance, focused staff development,

targeted assessment services, and ongoing communications and networking opportunities.

Of the foregoing appropriation item 200-545, Career-Technical Education Enhancements, up to \$466,992 in each fiscal year shall be allocated for the Ohio Career Information System (OCIS) and used for the dissemination of career information data to public schools, libraries, rehabilitation centers, two- and four-year colleges and universities, and other governmental units.

Of the foregoing appropriation item 200-545, Career-Technical Education Enhancements, up to \$300,000 in each fiscal year shall be used by the Department of Education to enable students in agricultural programs to enroll in a fifth quarter of instruction based on the agricultural education model of delivering work-based learning through supervised agricultural experience. The Department of Education shall determine eligibility criteria and the reporting process for the Agriculture 5th Quarter Project and shall fund as many programs as possible given the set aside.

SECTION 269.30.70. FOUNDATION FUNDING

The foregoing appropriation item 200-550, Foundation Funding, includes \$75,000,000 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 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.

The foregoing appropriation item 200-550, Foundation Funding, includes \$58,000,000 in fiscal year 2008 and \$145,000,000 in fiscal year 2009 for the state education aid offset because of the changes in tangible personal property valuation as a result of Am. Sub. H.B. 66 of the 126th General Assembly. This amount represents the total state education aid offset because of the valuation change for school districts and joint vocational school districts from all relevant appropriation item sources. Upon certification by the Department of Education of the actual state education aid offset to the Director of Budget and Management, the cash

transfer from Fund 047, appropriation item 200-909, School District Property Tax Replacement - Business, shall be decreased or increased by the Director of Budget and Management to match the certification in accordance with section 5751.21 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 to fund up to 225 full-time equivalent approved GRADS teacher grants under division (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; 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 \$19,770,000 in fiscal year 2008 and up to \$20,545,200 in fiscal year 2009 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, except that the Controlling Board may increase these amounts if presented with such a request from the Department of Education at the final meeting of the fiscal year; 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 "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 \$8,686,000 in fiscal year 2008 and up to \$8,722,860 in fiscal year 2009 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 \$11,901,887 in each fiscal year 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, \$3,312,165 in each fiscal year shall be used in conjunction with funding appropriated under appropriation item 200-431, School Improvement Initiatives, to help support districts in the development and implementation of their continuous improvements plans and provide technical assistance and support in accordance with Title I of the No Child Left Behind Act of 2001.

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, teacher training and experience funding, charge-off supplement,

and excess cost supplement under sections 3317.022, 3317.023, 3317.0216, 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.

SECTION 269.30.80. 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.

For fiscal years 2008 and 2009, the Department shall pay transitional aid to each city, local, or exempted village school district that experiences any decrease in its SF-3 funding for the current fiscal year from its transitional aid guarantee base for the current fiscal year. The amount of the transitional aid payment shall equal the difference between the district's SF-3 funding for the current fiscal year and its transitional aid guarantee base for the current fiscal year.

(B)(1) Subject to divisions (B)(3) and (C) of this section, the transitional aid guarantee base for each city, local, and exempted village school district for fiscal year 2008 equals the sum of the following as computed for fiscal year 2007, as reconciled by the Department:

(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 (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 division (L) of section 3317.024 and section 3317.05 of the Revised Code;

(i) Transportation under Section 206.09.21 of Am. Sub. H.B. 66 of the 126th General Assembly, as subsequently amended;

(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;

(n) Transitional aid under Section 206.09.39 of Am. Sub. H.B. 66 of the 126th General Assembly, as subsequently amended.

(2) Subject to divisions (B)(3) and (C) of this section, the transitional aid guarantee base for each city, local, and exempted village school district for fiscal year 2009 equals the sum of the following as computed for fiscal year 2008, as reconciled by the Department:

(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 (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) Gifted education units under division (L) of section 3317.024 and section 3317.05 of the Revised Code;

(h) Transportation under the section of this act entitled "PUPIL TRANSPORTATION";

(i) The excess cost supplement under division (F) of section 3317.022 of the Revised Code;

(j) The charge-off supplement under section 3317.0216 of the Revised Code;

(k) Transitional aid under this section.

(3) The SF-3 funding for each fiscal year for each district is the sum of the amounts specified in divisions (B)(2)(a) to (k) of this section less any general revenue fund spending reductions ordered by the Governor under section 126.05 of the Revised Code.

(C)(1) Notwithstanding any other provision of law to the contrary, only for purposes of this section, for any computation or computed value for previous fiscal years, the Department of Education shall substitute "ADM value" for "formula ADM," as the latter term was defined in law in effect for the fiscal year for which the previous computations were made.

(2) As used in division (C) of this section, "ADM value" means the number of students reported by the entity providing educational services to those students, as follows:

(a) In the case of students receiving educational services from a city, exempted village, or local school district, the number reported under division (B) of section 3317.03 of the Revised Code;

(b) In the case of students receiving educational services from a joint vocational school district, the number reported under division (D)(2) of section 3317.03 of the Revised Code;

(c) In the case of students receiving services from a community school, the number reported by the community school's governing authority under division (B)(2) of section 3314.08 of the Revised Code;

(d) In the case of scholarship students receiving services from a chartered nonpublic school under a scholarship program pursuant to Chapter 3310. of the Revised Code, the number of such students reported by the nonpublic school in accordance with reporting requirements adopted by the Department for purposes of that program.

SECTION 269.30.90. 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 (N) of section 3317.024 of the Revised Code.

(2) For purposes of calculating transitional aid for fiscal year 2008, a district's fiscal year 2007 joint vocational funding is the sum of the amounts described in divisions (B)(1)(a) to (e) of this section, plus any transitional aid computed for the district under Section 206.09.42 of Am. Sub. H.B. 66 of the 126th General Assembly, as subsequently amended, as reconciled by the Department. For purposes of calculating transitional aid for fiscal year 2009, a district's fiscal year 2008 joint vocational funding is the sum of the amounts described in divisions (B)(1)(a) to (e) of this section, plus any transitional aid computed for the district under this section, as reconciled by the Department.

(3) The joint vocational funding for each fiscal year for each district is the sum of the amounts specified in divisions (B)(1)(a) to (e) 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.

SECTION 269.40.10. LITERACY IMPROVEMENT-CLASSROOM GRANTS

The foregoing appropriation item 200-566, Literacy Improvement-Classroom Grants, shall be disbursed by the Department of Education to provide reading improvement grants to public schools in city, local, and exempted village school districts; community schools; and educational service centers serving kindergarten through twelfth grade

students to help struggling students improve their reading skills, improve reading outcomes in low-performing schools, and help close achievement gaps.

VIOLENCE PREVENTION AND SCHOOL SAFETY

Of the foregoing appropriation item 200-578, Violence Prevention and School Safety, up to \$224,250 in each fiscal year shall be used to fund a safe school center to provide resources for parents and for school and law enforcement personnel.

The remainder of the appropriation shall be distributed based on guidelines developed by the Department of Education to enhance school safety. The guidelines shall provide a list of research-based best practices and programs from which local grantees shall select based on local needs. These practices shall include, but not be limited to, school resource officers and safe and drug free school coordinators and social-emotional development programs.

SECTION 269.40.20. PROPERTY TAX ALLOCATION - EDUCATION

The Superintendent of Public Instruction shall not request, and the Controlling Board shall not approve, the transfer of funds from appropriation item 200-901, Property Tax Allocation - Education, to any other appropriation item.

The appropriation item 200-901, Property Tax Allocation - Education, is appropriated to pay for the state's costs incurred because of the homestead exemption and the property tax rollback. In cooperation with the Department of Taxation, the Department of Education shall distribute these funds directly to the appropriate school districts of the state, notwithstanding sections 321.24 and 323.156 of the Revised Code, which provide for payment of the homestead exemption and property tax rollback by the Tax Commissioner to the appropriate county treasurer and the subsequent redistribution of these funds to the appropriate local taxing districts by the county auditor.

Appropriation item 200-906, Tangible Tax Exemption - Education, is appropriated to pay for the state's costs incurred because of the tangible personal property tax exemption required by division (C)(3) of section 5709.01 of the Revised Code. In cooperation with the Department of Taxation, the Department of Education shall distribute to each county treasurer the total amount appearing in the notification from the county treasurer under division (G) of section 321.24 of the Revised Code, for all school districts located in the county, notwithstanding section 321.24 of the Revised Code insofar as it provides for payment of the \$10,000 tangible

personal property tax exemption by the Tax Commissioner to the appropriate county treasurer for all local taxing districts located in the county. Pursuant to division (G) of section 321.24 of the Revised Code, the county auditor shall distribute the amount paid by the Department of Education among the appropriate school districts.

Upon receipt of these amounts, each school district shall distribute the amount among the proper funds as if it had been paid as real or tangible personal property taxes. Payments for the costs of administration shall continue to be paid to the county treasurer and county auditor as provided for in sections 319.54, 321.26, and 323.156 of the Revised Code.

Any sums, in addition to the amounts specifically appropriated in appropriation items 200-901, Property Tax Allocation - Education, for the homestead exemption and the property tax rollback payments, and 200-906, Tangible Tax Exemption - Education, for the \$10,000 tangible personal property tax exemption payments, which are determined to be necessary for these purposes, are hereby appropriated.

SECTION 269.40.30. TEACHER CERTIFICATION AND LICENSURE

The foregoing appropriation item 200-681, Teacher Certification and Licensure, shall be used by the Department of Education in each year of the biennium to administer and support teacher certification and licensure activities.

SCHOOL DISTRICT SOLVENCY ASSISTANCE

Of the foregoing appropriation item 200-687, School District Solvency Assistance, \$9,000,000 in each fiscal year shall be allocated to the School District Shared Resource Account and \$9,000,000 in each fiscal year shall be allocated to the Catastrophic Expenditures Account. These funds shall be used to provide assistance and grants to school districts to enable them to remain solvent under section 3316.20 of the Revised Code. Assistance and grants shall be subject to approval by the Controlling Board. Any required reimbursements from school districts for solvency assistance shall be made to the appropriate account in 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 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 2008 and 2009. Any funds transferred are hereby appropriated. The transferred funds

may be used by the Department of Education to provide assistance and grants to school districts to enable them to remain solvent and to pay unforeseeable expenses of a temporary or emergency nature that the school district is unable to pay from existing resources. The Director of Budget and Management shall notify the members of the Controlling Board of any such transfers.

SECTION 269.40.40. READING FIRST

The foregoing appropriation item 200-632, Reading First, shall be used by school districts to administer federal diagnostic tests as well as other functions permitted by federal statute. Notwithstanding section 3301.079 of the Revised Code, federal diagnostic tests may be recognized as meeting the state diagnostic testing requirements outlined in section 3301.079 of the Revised Code.

HALF-MILL MAINTENANCE EQUALIZATION

The foregoing appropriation item 200-626, Half-Mill Maintenance Equalization, shall be used to make payments pursuant to section 3318.18 of the Revised Code.

SECTION 269.40.50. START-UP FUNDS

Funds appropriated for the purpose of providing start-up grants to Title IV-A Head Start and Title IV-A Head Start Plus agencies in fiscal year 2004 and fiscal year 2005 for the provision of services to children eligible for Title IV-A services under the Title IV-A Head Start or Title IV-A Head Start Plus programs shall be reimbursed to the General Revenue Fund as follows:

(A) If, for fiscal year 2008, an entity that was a Title IV-A Head Start or Title IV-A Head Start Plus agency will not be an early learning agency or early learning provider, the entity shall repay the entire amount of the start-up grant it received in fiscal year 2004 and fiscal year 2005 not later than June 30, 2009, in accordance with a payment schedule agreed to by the Department of Education.

(B) If an entity that was a Title IV-A Head Start or Title IV-A Head Start Plus agency in fiscal year 2004 or fiscal year 2005 will be an early learning agency or early learning provider in fiscal year 2008 and fiscal year 2009, the entity shall be allowed to retain any amount of the start-up grant it received.

(C) Within ninety days after the effective date of this section, the Title IV-A Head Start agencies, Title IV-A Head Start Plus agencies, and the

Department of Education shall determine the repayment schedule for amounts owed under division (A) of this section. These amounts shall be paid to the state not later than June 30, 2009.

(D) If an entity that was a Title IV-A Head Start or Title IV-A Head Start Plus agency in fiscal year 2004 or fiscal year 2005 owed the state any portion of the start-up grant amount during fiscal year 2006 or fiscal year 2007 but failed to repay the entire amount of the obligation by June 30, 2007, the entity shall be given an extension for repayment through June 30, 2009, before any amounts remaining due and payable to the state are referred to the Attorney General for collection under section 131.02 of the Revised Code.

(E) Any Title IV-A Head Start or Title IV-A Head Start Plus start-up grants that are retained by early learning agencies or early learning providers pursuant to this section shall be reimbursed to the General Revenue Fund when the early learning program ceases or is no longer funded from Title IV-A or if an early learning agency's or early learning provider's participation in the early learning program ceases or is terminated.

SECTION 269.40.60. AUXILIARY SERVICES REIMBURSEMENT

Notwithstanding section 3317.064 of the Revised Code, if the unobligated cash balance is sufficient, the Treasurer of State shall transfer \$1,500,000 in fiscal year 2008 within thirty days after the effective date of this section, and \$1,500,000 in fiscal year 2009 by August 1, 2008, from the Auxiliary Services Personnel Unemployment Compensation Fund to the Department of Education's Auxiliary Services Reimbursement Fund (Fund 598).

SECTION 269.40.70. LOTTERY PROFITS EDUCATION FUND

Appropriation item 200-612, Foundation Funding (Fund 017), shall be used in conjunction with appropriation item 200-550, Foundation Funding (GRF), to provide payments to school districts under Chapter 3317. of the Revised Code.

The Department of Education, with the approval of the Director of Budget and Management, shall determine the monthly distribution schedules of appropriation item 200-550, Foundation Funding (GRF), and appropriation item 200-612, Foundation Funding (Fund 017). If adjustments to the monthly distribution schedule are necessary, the Department of Education shall make such adjustments with the approval of the Director of Budget and Management.

The Director of Budget and Management shall transfer via intrastate transfer voucher the amount appropriated under the Lottery Profits Education Fund for appropriation item 200-682, Lease Rental Payment Reimbursement, to the General Revenue Fund on a schedule determined by the director. These funds shall support the appropriation item 230-428, Lease Rental Payments (GRF), of the School Facilities Commission.

SECTION 269.40.80. LOTTERY PROFITS EDUCATION RESERVE FUND

(A) There is hereby created the Lottery Profits Education Reserve Fund (Fund 018) in the State Treasury. Investment earnings of the Lottery Profits Education Reserve Fund shall be credited to the fund. The Superintendent of Public Instruction may certify cash balances exceeding \$75,000,000 in the Lottery Profits Education Reserve Fund (Fund 018) to the Director of Budget and Management in June of any given fiscal year. Prior to making the certification, the Superintendent of Public Instruction shall determine whether the funds above the \$75,000,000 threshold are needed to help pay for foundation program obligations for that fiscal year under Chapter 3317. of the Revised Code. If those funds are needed for the foundation program, the Superintendent of Public Instruction shall notify and consult with the Director of Budget and Management to determine the amount that may be transferred to the Public School Building Fund (Fund 021). Upon this determination, the Director of Budget and Management shall transfer the amount from the Lottery Profits Education Reserve Fund (Fund 018) to the Public School Building Fund (Fund 021). The amount transferred is hereby appropriated to appropriation item CAP-622, Public School Buildings.

For fiscal years 2008 and 2009, notwithstanding any provisions of law to the contrary, amounts necessary to make loans authorized by sections 3317.0210, 3317.0211, and 3317.62 of the Revised Code are hereby appropriated to the Lottery Profits Education Reserve Fund (Fund 018). Loan repayments from loans made in previous years shall be deposited to the fund.

(B) On July 15, 2007, or as soon as possible thereafter, the Director of the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by the Lottery Profits Education Fund (Fund 017) exceeded \$637,900,000 in fiscal year 2007. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 017, to the Lottery Profits Education Reserve Fund (Fund 018).

(C) On July 15, 2008, or as soon as possible thereafter, the Director of

the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by the Lottery Profits Education Fund (Fund 017) exceeded \$657,900,000 in fiscal year 2008. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 017, to the Lottery Profits Education Reserve Fund (Fund 018).

(D) Any amounts transferred under division (B) or (C) of this section may be made available by the Controlling Board in fiscal years 2008 or 2009, at the request of the Superintendent of Public Instruction, to provide 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 under section 3316.20 of the Revised Code, and to provide payments to school districts under Chapter 3317. of the Revised Code.

SECTION 269.40.90. GENERAL REVENUE FUND TRANSFERS TO SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - BUSINESS (FUND 047)

Notwithstanding any provision of law to the contrary, in fiscal year 2008 and fiscal year 2009 the Director of Budget and Management may make temporary transfers between the General Revenue Fund and the School District Property Tax Replacement – Business Fund (Fund 047) in the Department of Education 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.

SECTION 269.50.10. 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.

DISTRIBUTION FORMULAS

The Department of Education shall report the following to the Director of Budget and Management 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.

SECTION 269.50.30. EDUCATIONAL SERVICE CENTERS FUNDING

(A) As used in this section:

(1) "Internet- or computer-based community school" has the same meaning as in section 3314.02 of the Revised Code.

(2) "Service center ADM" has the same meaning as in section 3317.11 of the Revised Code.

(B) Notwithstanding division (F) of section 3317.11 of the Revised Code, no funds shall be provided under that division to an educational service center in either fiscal year for any pupils of a city or exempted village school district unless an agreement to provide services under section 3313.843 of the Revised Code was entered into by January 1, 1997, except that funds shall be provided to an educational service center for any pupils of a city school district if the agreement to provide services was entered into within one year of the date upon which such district changed from a local school district to a city school district.

(C) Notwithstanding any provision of the Revised Code to the contrary, an educational service center that sponsors a community school under Chapter 3314. of the Revised Code in either fiscal year may include the students of that community school in its service center ADM for purposes of state funding under division (F) of section 3317.11 of the Revised Code, unless the community school is an Internet- or computer-based community school. A service center shall include the community school students in its service center ADM only to the extent that the students are not already so included, and only in accordance with guidelines issued by the Department of Education. If the students of a community school sponsored by an educational service center are included in the service center ADM of another

educational service center, those students shall be removed from the service center ADM of the other educational service center and added to the service center ADM of the community school's sponsoring service center. The General Assembly authorizes this procedure as an incentive for educational service centers to take over sponsorship of community schools from the State Board of Education as the State Board's sponsorship is phased out in accordance with Sub. H.B. 364 of the 124th General Assembly. No student of an Internet- or computer-based community school shall be counted in the service center ADM of any educational service center. The Department shall pay educational service centers under division (F) of section 3317.11 of the Revised Code for community school students included in their service center ADMs under this division only if sufficient funds earmarked within appropriation item 200-550, Foundation Funding, for payments under that division remain after first paying for students attributable to their local and client school districts, in accordance with divisions (B) and (D) of this section.

(D) If insufficient funds are earmarked within appropriation item 200-550, Foundation Funding, for payments under division (F) of section 3317.11 of the Revised Code and division (C) of this section in fiscal year 2008 or fiscal year 2009, the Department shall prioritize the distribution of the earmarked funds as follows:

(1) The Department shall first distribute to each educational service center the per-student amount specified in division (F) of section 3317.11 of the Revised Code for each student in its service center ADM attributable to the local school districts within the service center's territory.

(2) The Department shall distribute the remaining funds in each fiscal year to each educational service center for the students in its service center ADM attributable to each city and exempted village school district that had entered into an agreement with an educational service center for that fiscal year under section 3313.843 of the Revised Code by January 1, 1997, up to the per-student amount specified in division (F) of section 3317.11 of the Revised Code. If insufficient funds remain to pay each service center the full amount specified in division (F) of that section for each such student, the Department shall distribute the remaining funds to each service center proportionally, on a per-student basis for each such student, unless that proportional per-student amount exceeds the amount specified in division (F)(1) of that section. In that case, the Department shall distribute the per-student amount specified in division (F)(1) of that section to each service center for each such student and shall distribute the remainder proportionally, on a per-student basis for each such student, to the

multi-county service centers described in division (F)(2) of that section.

(3) If the Department has paid each service center under divisions (D)(1) and (2) of this section, the full amount specified in division (F) of section 3317.11 of the Revised Code for each student attributable to its local school districts and its client school districts described in division (D)(2) of this section the Department shall distribute any remaining funds proportionally, on a per-student basis, to each service center that sponsors a community school, other than an Internet- or computer-based community school, for the students included in the service center ADM under division (C) of this section. These payments shall not exceed per student the amount specified in division (F) of section 3317.11 of the Revised Code.

* SECTION 269.50.40. For the school year commencing July 1, 2007, or the school year commencing July 1, 2008, or both, the Superintendent of Public Instruction may waive for the board of education of any school district the ratio of teachers to pupils in kindergarten through fourth grade required under paragraph (A)(3) of rule 3301-35-05 of the Administrative Code if the following conditions apply:

(A) The board of education requests the waiver.

(B) After the Department of Education conducts an on-site evaluation of the district related to meeting the required ratio, the board of education demonstrates to the satisfaction of the Superintendent of Public Instruction that providing the facilities necessary to meet the required ratio during the district's regular school hours with pupils in attendance would impose an extreme hardship on the district.

(C) The board of education provides assurances that are satisfactory to the Superintendent of Public Instruction that the board will act in good faith to meet the required ratio as soon as possible.

SECTION 269.50.50. PRIVATE TREATMENT FACILITY PROJECT

(A) As used in this section:

(1) The following are "participating residential treatment centers":

(a) Private residential treatment facilities that have entered into a contract with the Department of Youth Services to provide services to children placed at the facility by the Department and which, in fiscal year 2008 or fiscal year 2009 or both, the Department pays through appropriation item 470-401, Care and Custody;

(b) Abraxas, in Shelby;

(c) Paint Creek, in Bainbridge;

(d) Act One, in Akron;

(e) Friars Club, in Cincinnati.

(2) "Education program" means an elementary or secondary education program or a special education program and related services.

(3) "Served child" means any child receiving an education program pursuant to division (B) of this section.

(4) "School district responsible for tuition" means a city, exempted village, or local school district that, if tuition payment for a child by a school district is required under law that existed in fiscal year 1998, is the school district required to pay that tuition.

(5) "Residential child" means a child who resides in a participating residential treatment center and who is receiving an educational program under division (B) of this section.

(B) A youth who is a resident of the state and has been assigned by a juvenile court or other authorized agency to a residential treatment facility specified in division (A) of this section shall be enrolled in an approved educational program located in or near the facility. Approval of the educational program shall be contingent upon compliance with the criteria established for such programs by the Department of Education. The educational program shall be provided by a school district or educational service center, or by the residential facility itself. Maximum flexibility shall be given to the residential treatment facility to determine the provider. In the event that a voluntary agreement cannot be reached and the residential facility does not choose to provide the educational program, the educational service center in the county in which the facility is located shall provide the educational program at the treatment center to children under twenty-two years of age residing in the treatment center.

(C) Any school district responsible for tuition for a residential child shall, notwithstanding any conflicting provision of the Revised Code regarding tuition payment, pay tuition for the child for fiscal year 2008 and fiscal year 2009 to the education program provider and in the amount specified in this division. If there is no school district responsible for tuition for a residential child and if the participating residential treatment center to which the child is assigned is located in the city, exempted village, or local school district that, if the child were not a resident of that treatment center, would be the school district where the child is entitled to attend school under sections 3313.64 and 3313.65 of the Revised Code, that school district, notwithstanding any conflicting provision of the Revised Code, shall pay tuition for the child for fiscal year 2008 and fiscal year 2009 under this division unless that school district is providing the educational program to

the child under division (B) of this section.

A tuition payment under this division shall be made to the school district, educational service center, or residential treatment facility providing the educational program to the child.

The amount of tuition paid shall be:

(1) The amount of tuition determined for the district under division (A) of section 3317.08 of the Revised Code;

(2) In addition, for any student receiving special education pursuant to an individualized education program as defined in section 3323.01 of the Revised Code, a payment for excess costs. This payment shall equal the actual cost to the school district, educational service center, or residential treatment facility of providing special education and related services to the student pursuant to the student's individualized education program, minus the tuition paid for the child under division (C)(1) of this section.

A school district paying tuition under this division shall not include the child for whom tuition is paid in the district's average daily membership certified under division (A) of section 3317.03 of the Revised Code.

(D) In each of fiscal years 2008 and 2009, the Department of Education shall reimburse, from appropriations made for the purpose, a school district, educational service center, or residential treatment facility, whichever is providing the service, that has demonstrated that it is in compliance with the funding criteria for each served child for whom a school district must pay tuition under division (C) of this section. The amount of the reimbursement shall be the formula amount specified in section 3317.022 of the Revised Code, except that the department shall proportionately reduce this reimbursement if sufficient funds are not available to pay this amount to all qualified providers.

(E) Funds provided to a school district, educational service center, or residential treatment facility under this section shall be used to supplement, not supplant, funds from other public sources for which the school district, service center, or residential treatment facility is entitled or eligible.

(F) The Department of Education shall track the utilization of funds provided to school districts, educational service centers, and residential treatment facilities under this section and monitor the effect of the funding on the educational programs they provide in participating residential treatment facilities. The department shall monitor the programs for educational accountability.

SECTION 269.50.60. SCHOOL DISTRICT PARTICIPATION IN NATIONAL ASSESSMENT OF EDUCATION PROGRESS

The General Assembly intends for the Superintendent of Public Instruction to provide for school district participation in the administration of the National Assessment of Education Progress in accordance with section 3301.27 of the Revised Code. Each school and school district selected for participation by the Superintendent of Public Instruction shall participate.

SECTION 269.50.70. DEPARTMENT OF EDUCATION
APPROPRIATION TRANSFERS FOR STUDENT ASSESSMENT

In fiscal year 2008 and fiscal year 2009, if the Superintendent of Public Instruction determines that additional funds are needed to fully fund the requirements of Am. Sub. H.B. 3 of the 125th General Assembly and this act for assessments of student performance, the Superintendent of Public Instruction may recommend the reallocation of unspent and unencumbered appropriations within the Department of Education to the General Revenue Fund appropriation item 200-437, Student Assessment, to the Director of Budget and Management. If the Director of Budget and Management determines that such a reallocation is required, the Director of Budget and Management may transfer unspent and unencumbered funds within the Department of Education as necessary to appropriation item 200-437, Student Assessment. If these unspent and unencumbered funds are not sufficient to fully fund the assessment requirements in fiscal year 2008 or fiscal year 2009, the Superintendent of Public Instruction may request that the Controlling Board transfer up to \$9,000,000 cash from the Lottery Profits Education Reserve Fund (Fund 018) to the General Revenue Fund and appropriate these transferred funds to appropriation item 200-437, Student Assessment.

SECTION 269.50.80. (A) As used in this section:

(1) "IEP" has the same meaning as in section 3323.01 of the Revised Code.

(2) "SBH student" means a student receiving special education and related services for severe behavior disabilities pursuant to an IEP.

(B) This section applies only to a community school established under Chapter 3314. of the Revised Code that in each of fiscal years 2008 and 2009 enrolls a number of SBH students equal to at least fifty per cent of the total number of students enrolled in the school in the applicable fiscal year.

(C) In addition to any payments made under section 3314.08 of the Revised Code, in each of fiscal years 2008 and 2009, the Department of

Education shall pay to a community school to which this section applies a subsidy equal to the difference between the aggregate amount calculated and paid in that fiscal year to the community school for special education and related services additional weighted costs for the SBH students enrolled in the school and the aggregate amount that would have been calculated for the school for special education and related services additional weighted costs for those same students in fiscal year 2001. If the difference is a negative number, the amount of the subsidy shall be zero.

(D) The amount of any subsidy paid to a community school under this section shall not be deducted from the school district in which any of the students enrolled in the community school are entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. The amount of any subsidy paid to a community school under this section shall be paid from funds appropriated to the Department of Education in appropriation item 200-550, Foundation Funding.

SECTION 269.50.90. EARMARK ACCOUNTABILITY

At the request of the Superintendent of Public Instruction, any entity that receives a budget earmark under the Department of Education shall submit annually to the chairpersons of the committees of the House of Representatives and the Senate primarily concerned with education and to the Department of Education a report that includes a description of the services supported by the funds, a description of the results achieved by those services, an analysis of the effectiveness of the program, and an opinion as to the program's applicability to other school districts. For an earmarked entity that received state funds from an earmark in the prior fiscal year, no funds shall be provided by the Department of Education to an earmarked entity for a fiscal year until its report for the prior fiscal year has been submitted.

SECTION 269.60.10. No community school established under Chapter 3314. of the Revised Code that was not open for operation as of May 1, 2005, shall operate from a home, as defined in section 3313.64 of the Revised Code.

SECTION 269.60.15. (A) As used in this section:

(1) "Big eight school district" has the same meaning as in section 3314.02 of the Revised Code.

(2) "Early college high school" means a high school that provides students with a personalized learning plan based on an accelerated curriculum combining high school and college-level coursework.

(B) Any early college high school that is operated by a big eight school district in partnership with a private university may operate as a new start-up community school under Chapter 3314. of the Revised Code beginning in the 2007-2008 school year, if all of the following conditions are met:

(1) The governing authority and sponsor of the school enter into a contract in accordance with section 3314.03 of the Revised Code and, notwithstanding division (D) of section 3314.02 of the Revised Code, both parties adopt and sign the contract by July 9, 2007.

(2) Notwithstanding division (A) of section 3314.016 of the Revised Code, the school's governing authority enters into a contract with the private university under which the university will be the school's operator.

(3) The school provides the same educational program the school provided while part of the big eight school district.

SECTION 269.60.30. PLAN TO MOVE ADULT EDUCATION PROGRAMS TO BOARD OF REGENTS

The Board of Regents shall work collaboratively with the Department of Education to identify adult career-technical education programs that shall be transferred to the Board of Regents. The Chancellor of the Board of Regents shall work in consultation with the Department and the various identified programs to develop a plan by July 1, 2008, for the transfer that benefits adult learners by preserving points of access, increasing opportunities, maintaining affordability, and creating a system of uniform quality with the ability to earn credit. The transfer shall be completed by January 1, 2009. The purpose of this programmatic transfer is to better align and maximize the strength and flexibility of the full array of Ohio adult workforce education assets to improve the overall quality of adult education and training program course and training offerings in order to increase the skills and improve the employment prospects of adults.

On or after January 1, 2009, notwithstanding any provision of law to the contrary, the Director of Budget and Management may take the actions described in this section made necessary by the movement of adult career-technical education programs from the Department of Education to the Board of Regents. These actions may include budget changes made necessary by administrative reorganization, program transfers, the creation of new funds, the creation of new appropriation items, and the consolidation of funds. The Director may transfer cash balances between funds as needed.

At the request of the Director, the Superintendent of Public Instruction shall certify to the Director an estimate of the amount of the cash balance to be transferred to the receiving fund. The Director may transfer the estimated amount to the Board of Regents when needed to make payments. Not more than thirty days after certifying the estimated amount, the Superintendent of Public Instruction shall certify the final amount to the Director. The Director then shall transfer the difference between any amount previously transferred and the certified final amount. The Director may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in the appropriate fund and appropriation item for the same purpose and to the same vendor. The funds necessary to re-establish those encumbrances in a different fund or appropriation item within or between the Board of Regents and the Department of Education are hereby appropriated. The Director shall reduce each year's appropriation balances by the amount of the encumbrances canceled in their respective funds and appropriation items. Any fiscal year 2008 unencumbered or unallocated appropriation balances may be transferred to the appropriate item to be used for the same purposes, as determined by the Director.

SECTION 269.60.33. The State Board of Education shall initiate rulemaking procedures for the rules for the Special Education Scholarship Pilot Program, required under section 3310.63 of the Revised Code, as enacted by this act, so that those rules are in effect by January 31, 2008.

SECTION 269.60.36. The Department of Education shall conduct a formative evaluation of the Special Education Scholarship Pilot Program established under sections 3310.51 to 3310.63 of the Revised Code, using both quantitative and qualitative analyses, and shall report its findings to the General Assembly not later than December 31, 2010. In conducting the evaluation, the Department shall to the extent possible gather comments from parents who have been awarded scholarships under the program, school district officials, representatives of registered private providers, educators, and representatives of educational organizations for inclusion in the report required under this section.

SECTION 269.60.60. UNAUDITABLE COMMUNITY SCHOOL

(A) If the Auditor of State or a public accountant, pursuant to section 117.41 of the Revised Code, declares a community school established under

Chapter 3314. of the Revised Code to be unauditible, the Auditor of State shall provide written notification of that declaration to the school, the school's sponsor, and the Department of Education. The Auditor of State also shall post the notification on the Auditor of State's web site.

(B) Notwithstanding any provision to the contrary in Chapter 3314. of the Revised Code or any other provision of law, a sponsor of a community school that is notified by the Auditor of State under division (A) of this section that a community school it sponsors is unauditible shall not enter into contracts with any additional community schools under section 3314.03 of the Revised Code until the Auditor of State or a public accountant has completed a financial audit of that school.

(C) Not later than forty-five days after receiving notification by the Auditor of State under division (A) of this section that a community school is unauditible, the sponsor of the school shall provide a written response to the Auditor of State. The response shall include the following:

(1) An overview of the process the sponsor will use to review and understand the circumstances that led to the community school becoming unauditible;

(2) A plan for providing the Auditor of State with the documentation necessary to complete an audit of the community school and for ensuring that all financial documents are available in the future;

(3) The actions the sponsor will take to ensure that the plan described in division (C)(2) of this section is implemented.

(D) If a community school fails to make reasonable efforts and continuing progress to bring its accounts, records, files, or reports into an auditable condition within ninety days after being declared unauditible, the Auditor of State, in addition to requesting legal action under sections 117.41 and 117.42 of the Revised Code, shall notify the Department of the school's failure. If the Auditor of State or a public accountant subsequently is able to complete a financial audit of the school, the Auditor of State shall notify the Department that the audit has been completed.

(E) Notwithstanding any provision to the contrary in Chapter 3314. of the Revised Code or any other provision of law, upon notification by the Auditor of State under division (D) of this section that a community school has failed to make reasonable efforts and continuing progress to bring its accounts, records, files, or reports into an auditable condition following a declaration that the school is unauditible, the Department shall immediately cease all payments to the school under Chapter 3314. of the Revised Code and any other provision of law. Upon subsequent notification from the Auditor of State under that division that the Auditor of State or a public

accountant was able to complete a financial audit of the community school, the Department shall release all funds withheld from the school under this section.

SECTION 269.60.70. Notwithstanding division (B) of section 3317.01 of the Revised Code, no joint vocational school district shall be denied state payments for fiscal year 2008 because the school district's career center was open for instruction during fiscal year 2007 for fewer days than required by sections 3313.48, 3313.481, and 3317.01 of the Revised Code, if the number of days the career center was closed in the 2006-2007 school year in excess of the number of days it is permitted to be closed for a public calamity under division (B) of section 3317.01 of the Revised Code does not exceed the number of days in May 2007 in which the district closed the career center due to fire damage and cancelled instruction to prepare alternate facilities for instruction.

SECTION 269.60.80. Not later than October 31, 2007, each school district, community school established under Chapter 3314. of the Revised Code, and chartered nonpublic school shall report to the Department of Education, in a manner prescribed by the Department, the number of minutes per week and the number of classes per week of physical education provided to students in each of grades kindergarten through eight in the 2006-2007 school year and scheduled to be provided to students in each of those grades in the 2007-2008 school year.

SECTION 269.60.90. If a school district erroneously reported data to the Education Management Information System established under section 3301.0714 of the Revised Code that showed a zero per cent graduation rate for the 2005-2006 school year for the district or any building in the district and the district notified the Department of Education of the error not later than June 30, 2007, the Department shall allow the district to report a corrected graduation rate for that school year and shall include the corrected graduation rate on the August 2007 report card issued for the district and any affected building under section 3302.03 of the Revised Code.

SECTION 269.70.10. (A) Notwithstanding section 3313.41 of the Revised Code, a school district board of education may sell real property that it owns in its corporate capacity directly to a community action agency that operates

an early childhood education program within the territory of the school district, in lieu of offering the property for sale at public auction as provided in division (A) of that section, in lieu of offering the property for sale to an entity listed in division (C) of that section, or in lieu of offering the property for sale to a community school as provided in division (G) of that section, as long as all of the following conditions are satisfied:

(1) The district is a "local" school district as described in section 3311.03 of the Revised Code.

(2) The district is a countywide school district in that the district comprises most of the territory of one county and most of the district's territory lies in one county.

(3) The district is abandoning the property because it is acquiring new facilities through one or more state-assisted classroom facilities programs under Chapter 3318. of the Revised Code.

(4) The property is suitable for use by the community action agency for its early childhood education program and for other operations of the agency.

(5) The sale is completed on or before February 29, 2008.

(B) As used in this section, "community action agency" has the same meaning as in section 122.66 of the Revised Code.

SECTION 271.10. ELC OHIO ELECTIONS COMMISSION

General Revenue Fund

GRF 051-321	Operating Expenses	\$	411,623	\$	423,975
TOTAL GRF General Revenue Fund		\$	411,623	\$	423,975

General Services Fund Group

4P2 051-601	Ohio Elections Commission Fund	\$	255,000	\$	255,000
TOTAL GSF General Services Fund Group		\$	255,000	\$	255,000
TOTAL ALL BUDGET FUND GROUPS		\$	666,623	\$	678,975

SECTION 273.10. FUN STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

General Services Fund Group

4K9 881-609	Operating Expenses	\$	628,641	\$	646,602
TOTAL GSF General Services Fund Group		\$	628,641	\$	646,602
TOTAL ALL BUDGET FUND GROUPS		\$	628,641	\$	646,602

SECTION 275.10. PAY EMPLOYEE BENEFITS FUNDS

Accrued Leave Liability Fund Group

806	995-666	Accrued Leave Fund	\$	69,584,560	\$	76,038,787
807	995-667	Disability Fund	\$	40,104,713	\$	39,309,838
TOTAL ALF Accrued Leave Liability Fund Group			\$	109,689,273	\$	115,348,625
Agency Fund Group						
124	995-673	Payroll Deductions	\$	2,125,000,000	\$	2,175,000,000
808	995-668	State Employee Health Benefit Fund	\$	499,240,000	\$	550,922,742
809	995-669	Dependent Care Spending Account	\$	2,969,635	\$	2,969,635
810	995-670	Life Insurance Investment Fund	\$	2,113,589	\$	2,229,834
811	995-671	Parental Leave Benefit Fund	\$	3,994,806	\$	4,234,495
813	995-672	Health Care Spending Account	\$	12,000,000	\$	12,000,000
TOTAL AGY Agency Fund Group			\$	2,645,318,030	\$	2,747,356,706
TOTAL ALL BUDGET FUND GROUPS			\$	2,755,007,303	\$	2,862,705,331

ACCRUED LEAVE LIABILITY FUND

The foregoing appropriation item 995-666, Accrued Leave Fund, shall be used to make payments from the Accrued Leave Liability Fund (Fund 806), pursuant to section 125.211 of the Revised Code. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

STATE EMPLOYEE DISABILITY LEAVE BENEFIT FUND

The foregoing appropriation item 995-667, Disability Fund, shall be used to make payments from the State Employee Disability Leave Benefit Fund (Fund 807), pursuant to section 124.83 of the Revised Code. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

PAYROLL WITHHOLDING FUND

The foregoing appropriation item 995-673, Payroll Deductions, shall be used to make payments from the Payroll Withholding Fund (Fund 124). If it is determined by the Director of Budget and Management that additional appropriation amounts are necessary, such amounts are hereby appropriated.

STATE EMPLOYEE HEALTH BENEFIT FUND

The foregoing appropriation item 995-668, State Employee Health Benefit Fund, shall be used to make payments from the State Employee Health Benefit Fund (Fund 808), pursuant to section 124.87 of the Revised Code. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

DEPENDENT CARE SPENDING ACCOUNT

The foregoing appropriation item 995-669, Dependent Care Spending Account, shall be used to make payments from the Dependent Care Spending Account (Fund 809) to employees eligible for dependent care

expenses. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

LIFE INSURANCE INVESTMENT FUND

The foregoing appropriation item 995-670, Life Insurance Investment Fund, shall be used to make payments from the Life Insurance Investment Fund (Fund 810) for the costs and expenses of the state's life insurance benefit program pursuant to section 125.212 of the Revised Code. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

PARENTAL LEAVE BENEFIT FUND

The foregoing appropriation item 995-671, Parental Leave Benefit Fund, shall be used to make payments from the Parental Leave Benefit Fund (Fund 811) to employees eligible for parental leave benefits pursuant to section 124.137 of the Revised Code. If it is determined by the Director of Budget and Management that additional amounts are necessary, the amounts are appropriated.

HEALTH CARE SPENDING ACCOUNT

There is hereby established in the State Treasury the Health Care Spending Account Fund (Fund 813). The foregoing appropriation item 995-672, Health Care Spending Account, shall be used to make payments from the fund. The fund shall be under the supervision of the Department of Administrative Services and shall be used to make payments pursuant to state employees' participation in a flexible spending account for non-reimbursed health care expenses and pursuant to Section 125 of the Internal Revenue Code. All income derived from the investment of the fund shall accrue to the fund. If it is determined by the Director of Administrative Services that additional appropriation amounts are necessary, the Director of Administrative Services may request that the Director of Budget and Management increase such amounts. Such amounts are hereby appropriated.

At the request of the Director of Administrative Services, the Director of Budget and Management shall transfer up to \$145,000 from the General Revenue Fund to the Health Care Spending Account Fund during fiscal years 2008 and 2009. This cash shall be transferred as needed to provide adequate cash flow for the Health Care Spending Account Fund during fiscal year 2008 and fiscal year 2009. If funds are available at the end of fiscal years 2008 and 2009, the Director of Budget and Management shall transfer cash up to the amount previously transferred in the respective year, plus interest income, back from the Health Care Spending Account (Fund 813) to the General Revenue Fund.

SECTION 277.10. ERB STATE EMPLOYMENT RELATIONS BOARD

General Revenue Fund

GRF 125-321	Operating Expenses	\$	3,218,803	\$	3,355,602
TOTAL GRF General Revenue Fund		\$	3,218,803	\$	3,355,602

General Services Fund Group

572 125-603	Training and Publications	\$	75,541	\$	75,541
TOTAL GSF General Services					
Fund Group		\$	75,541	\$	75,541
TOTAL ALL BUDGET FUND GROUPS		\$	3,294,344	\$	3,431,143

SECTION 279.10. ENG STATE BOARD OF ENGINEERS AND SURVEYORS

General Services Fund Group

4K9 892-609	Operating Expenses	\$	1,058,881	\$	1,058,881
TOTAL GSF General Services					
Fund Group		\$	1,058,881	\$	1,058,881
TOTAL ALL BUDGET FUND GROUPS		\$	1,058,881	\$	1,058,881

SECTION 281.10. EPA ENVIRONMENTAL PROTECTION AGENCY

General Services Fund Group

199 715-602	Laboratory Services	\$	1,158,574	\$	1,173,574
219 715-604	Central Support Indirect	\$	16,474,276	\$	17,000,962
4A1 715-640	Operating Expenses	\$	3,369,731	\$	3,369,731
TOTAL GSF General Services					
Fund Group		\$	21,002,581	\$	21,544,267

Federal Special Revenue Fund Group

3BU 715-684	Water Quality Protection	\$	6,515,000	\$	6,310,000
3F2 715-630	Revolving Loan Fund - Operating	\$	563,536	\$	775,600
3F3 715-632	Federally Supported Cleanup and Response	\$	2,550,000	\$	2,550,000
3F5 715-641	Nonpoint Source Pollution Management	\$	7,550,000	\$	7,595,000
3K4 715-634	DOD Monitoring and Oversight	\$	858,250	\$	898,825
3N4 715-657	DOE Monitoring and Oversight	\$	1,071,678	\$	1,110,270
3T3 715-669	Drinking Water SRF	\$	2,843,923	\$	2,977,998
3V7 715-606	Agencywide Grants	\$	500,000	\$	500,000
353 715-612	Public Water Supply	\$	3,388,619	\$	3,388,618
354 715-614	Hazardous Waste Management - Federal	\$	4,203,891	\$	4,203,891
357 715-619	Air Pollution Control - Federal	\$	6,823,949	\$	6,823,950
362 715-605	Underground Injection Control - Federal	\$	111,874	\$	111,874
TOTAL FED Federal Special Revenue					

Am. Sub. H. B. No. 119

1600

Fund Group		\$	36,980,720	\$	37,246,026
State Special Revenue Fund Group					
4J0	715-638	Underground Injection Control	\$	458,418	\$ 458,418
4K2	715-648	Clean Air - Non Title V	\$	3,690,821	\$ 4,066,558
4K3	715-649	Solid Waste	\$	13,932,845	\$ 14,282,845
4K4	715-650	Surface Water Protection	\$	12,685,000	\$ 13,815,000
4K5	715-651	Drinking Water Protection	\$	8,169,553	\$ 8,867,732
4P5	715-654	Cozart Landfill	\$	149,728	\$ 149,728
4R5	715-656	Scrap Tire Management	\$	6,000,000	\$ 6,000,000
4R9	715-658	Voluntary Action Program	\$	1,032,098	\$ 1,032,098
4T3	715-659	Clean Air - Title V Permit Program	\$	18,924,098	\$ 18,833,584
4U7	715-660	Construction & Demolition Debris	\$	881,561	\$ 881,561
5BC	715-617	Clean Ohio	\$	741,646	\$ 741,646
5BC	715-622	Local Air Pollution Control	\$	1,026,369	\$ 1,026,369
5BC	715-624	Surface Water	\$	8,797,413	\$ 8,797,413
5BC	715-667	Groundwater	\$	1,093,741	\$ 1,093,741
5BC	715-672	Air Pollution Control	\$	5,199,290	\$ 5,199,290
5BC	715-673	Drinking Water	\$	2,550,250	\$ 2,550,250
5BC	715-675	Hazardous Waste	\$	100,847	\$ 100,847
5BC	715-676	Assistance and Prevention	\$	700,302	\$ 700,302
5BC	715-677	Laboratory	\$	1,216,333	\$ 1,216,333
5BC	715-678	Corrective Actions	\$	1,179,775	\$ 1,179,775
5BT	715-679	C&DD Groundwater Monitoring	\$	571,560	\$ 693,267
5BY	715-681	Auto Emissions Test	\$	14,817,105	\$ 15,057,814
5CD	715-682	Clean Diesel School Buses	\$	600,000	\$ 600,000
5DW	715-683	Automotive Mercury Switch Program	\$	60,000	\$ 60,000
5H4	715-664	Groundwater Support	\$	2,503,933	\$ 2,715,340
5N2	715-613	Dredge and Fill	\$	30,000	\$ 30,000
500	715-608	Immediate Removal Special Account	\$	557,257	\$ 573,903
503	715-621	Hazardous Waste Facility Management	\$	11,711,473	\$ 12,200,240
505	715-623	Hazardous Waste Cleanup	\$	13,333,179	\$ 14,147,498
505	715-674	Clean Ohio Environmental Review	\$	109,725	\$ 109,725
541	715-670	Site Specific Cleanup	\$	34,650	\$ 34,650
542	715-671	Risk Management Reporting	\$	146,188	\$ 146,188
592	715-627	Anti Tampering Settlement	\$	9,707	\$ 9,707
6A1	715-645	Environmental Education	\$	1,500,000	\$ 1,500,000
602	715-626	Motor Vehicle Inspection and Maintenance	\$	157,697	\$ 128,876
644	715-631	ER Radiological Safety	\$	286,114	\$ 286,114
660	715-629	Infectious Waste Management	\$	100,000	\$ 100,000
676	715-642	Water Pollution Control Loan Administration	\$	4,964,625	\$ 4,964,625
678	715-635	Air Toxic Release	\$	210,622	\$ 210,622
679	715-636	Emergency Planning	\$	2,628,647	\$ 2,628,647
696	715-643	Air Pollution Control Administration	\$	750,000	\$ 750,000

699	715-644	Water Pollution Control Administration	\$	750,000	\$	750,000
TOTAL SSR State Special Revenue Fund Group			\$	144,362,570	\$	148,690,706
Clean Ohio Conservation Fund Group						
5S1	715-607	Clean Ohio - Operating	\$	208,174	\$	208,174
TOTAL CLF Clean Ohio Conservation Fund Group			\$	208,174	\$	208,174
TOTAL ALL BUDGET FUND GROUPS			\$	202,554,045	\$	207,689,173

AUTOMOBILE EMISSIONS TESTING PROGRAM OPERATION AND OVERSIGHT

On July 1, 2007, or as soon as possible thereafter, if the Governor issues an executive order under division (A) of section 3704.14 of the Revised Code, the Director of Budget and Management shall transfer \$14,817,105 for use in fiscal year 2008 from the General Revenue Fund to the Auto Emissions Test Fund (Fund 5BY). On July 1, 2008, or as soon as possible thereafter, if the Governor issues a subsequent executive order under division (A) of section 3704.14 of the Revised Code, the Director of Budget and Management shall transfer \$15,057,814 for use in fiscal year 2009 from the General Revenue Fund to the Auto Emissions Test Fund (Fund 5BY).

The Ohio Environmental Protection Agency (EPA) shall use the foregoing appropriation item 715-681, Auto Emissions Test, in the Auto Emissions Test Fund (Fund 5BY), for the operation, and Ohio EPA's costs for oversight, of the auto emissions testing program. For purposes of continuing testing beyond December 31, 2007, the Governor, annually and by executive order, may extend an existing contract with the contractor who is implementing the testing program pursuant to section 3704.14 of the Revised Code for a period of one year.

The funds identified in this section shall not be used (1) to pay for the testing costs of any dealers to provide certificates for vehicles being purchased by individuals who reside in areas where the E-Check program is operated or (2) to pay for more than one passing or three total free tests for any vehicle in a three-hundred-sixty-five-day period. When state funds may not be used to pay for testing costs, the cost of testing and retesting paid by an individual or a business for any vehicle shall cover the cost of the test. Testing and other fees charged by the contractor shall be submitted to and approved by the Director of Environmental Protection.

WATER QUALITY PROTECTION FUND

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 3F4, Water Quality Management. The Director of Budget and Management shall transfer the amount certified

from Fund 3F4 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-633, Water Quality Management (Fund 3F4), shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 3F4 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 3J1, Urban Stormwater. The Director of Budget and Management shall transfer the amount certified from Fund 3J1 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-620, Urban Stormwater (Fund 3J1), shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 3J1 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 3J5, Maumee River. The Director of Budget and Management shall transfer the amount certified from Fund 3J5 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-615, Maumee River (Fund 3J5), shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 3J5 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 3K2, Clean Water Act 106 (Fund 3K2). The Director of Budget and Management shall transfer the amount certified from Fund 3K2 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-628, Clean Water Act 106, shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 3K2 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 3K6, Remedial Action Plan. The Director of Budget and Management shall transfer the amount certified from Fund 3K6 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-639, Remedial Action Plan (Fund 3K6), shall be cancelled and re-established against appropriation item

715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 3K6 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 352, Wastewater Pollution. The Director of Budget and Management shall transfer the amount certified from Fund 352 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-611, Wastewater Pollution (Fund 352), shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 352 is abolished.

On July 1, 2007, or as soon thereafter as possible, the Director of Environmental Protection shall certify to the Director of Budget and Management the cash balance in Fund 358, 205-J Federal Planning. The Director of Budget and Management shall transfer the amount certified from Fund 358 to Fund 3BU, Water Quality Protection. Any existing encumbrances in appropriation item 715-625, 205-J Federal Planning (Fund 358), shall be cancelled and re-established against appropriation item 715-684, Water Quality Protection (Fund 3BU). The amounts of the re-established encumbrances are hereby appropriated, and Fund 358 is abolished.

AREAWIDE PLANNING AGENCIES

The Director of the Environmental Protection Agency shall use the foregoing appropriation item 715-624, Surface Water, to contract with areawide planning agencies in an amount not to exceed \$75,000 per agency per fiscal year for areawide water quality management and planning activities in accordance with Section 208 of the Federal Clean Water Act, 33 U.S.C. 1288.

CASH TRANSFER FOR AUTOMOTIVE MERCURY SWITCH PROGRAM

Upon the request of the Director of Environmental Protection, the Director of Budget and Management shall transfer up to \$60,000 in cash from the Environmental Protection Fund (Fund 5BC) to the Automotive Mercury Switch Program Fund (Fund 5DW), in each year of the fiscal years 2008-2009 biennium.

SECTION 283.10. EBR ENVIRONMENTAL REVIEW APPEALS COMMISSION

General Revenue Fund

GRF 172-321	Operating Expenses	\$	483,859	\$	487,000
TOTAL GRF General Revenue Fund		\$	483,859	\$	487,000
TOTAL ALL BUDGET FUND GROUPS		\$	483,859	\$	487,000

SECTION 285.10. ETC ETECH OHIO

General Revenue Fund

GRF 935-321	Operations	\$	6,830,918	\$	6,830,921
GRF 935-401	Statehouse News Bureau	\$	244,400	\$	244,400
GRF 935-402	Ohio Government	\$	716,417	\$	716,417
	Telecommunications Services				
GRF 935-403	Technical Operations	\$	3,597,390	\$	3,597,390
GRF 935-404	Telecommunications	\$	4,632,413	\$	4,632,413
	Operating Subsidy				
GRF 935-406	Technical and Instructional	\$	6,285,351	\$	6,272,351
	Professional Development				
GRF 935-539	Educational Technology	\$	4,139,551	\$	4,139,551
TOTAL GRF General Revenue Fund		\$	26,446,440	\$	26,433,443

General Services Fund Group

4F3 935-603	Affiliate Services	\$	1,000,000	\$	1,000,000
4T2 935-605	Government	\$	25,000	\$	25,000
	Television/Telecommunications				
	Operating				
5D4 935-640	Conference/Special Purposes	\$	1,821,817	\$	1,821,817
TOTAL GSF General Services Fund Group		\$	2,846,817	\$	2,846,817

Federal Special Revenue Fund Group

3S3 935-606	Enhancing Education	\$	589,363	\$	589,363
	Technology				
TOTAL FED Federal Special Revenue Fund		\$	589,363	\$	589,363

Group

State Special Revenue Fund Group

4W9 935-630	Telecommunity	\$	25,000	\$	25,000
4X1 935-634	Distance Learning	\$	50,000	\$	50,000
5T3 935-607	Gates Foundation Grants	\$	200,000	\$	200,000
TOTAL SSR State Special Revenue Fund		\$	275,000	\$	275,000

Group

TOTAL ALL BUDGET FUND GROUPS		\$	30,157,620	\$	30,144,623
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SECTION 285.30. TELECOMMUNICATIONS

STATEHOUSE NEWS BUREAU

The foregoing appropriation item 935-401, Statehouse News Bureau, shall be used solely to support the operations of the Ohio Statehouse News Bureau.

OHIO GOVERNMENT TELECOMMUNICATIONS STUDIO

The foregoing appropriation item 935-402, Ohio Government Telecommunications Services, shall be used solely to support the operations

of Ohio Government Telecommunications Services.

TECHNICAL OPERATIONS

The foregoing appropriation item 935-403, Technical Operations, shall be used by eTech Ohio to pay expenses of eTech Ohio's network infrastructure, which includes the television and radio transmission infrastructure and infrastructure that shall link all public K-12 classrooms to each other and the Internet, and provide access to voice, video, and data educational resources for students and teachers.

TELECOMMUNICATIONS OPERATING SUBSIDY

Of the foregoing appropriation item 935-404, Telecommunications Operating Subsidy, \$45,000 in each fiscal year shall be used to contract for dial-up newspaper reading services for the blind and physically handicapped. The contract shall be awarded subject to Controlling Board approval, through a competitive bidding process.

Of the foregoing appropriation item 935-404, Telecommunications Operating Subsidy, \$1,000,000 in each fiscal year shall be used to support the conversion of Ohio's public educational television stations from analog to federally mandated digital broadcasting technology.

Funds appropriated to support the conversion to digital technology shall be distributed by eTech Ohio to the Ohio educational television stations according to a formula agreed to by the stations.

The remainder of appropriation item 935-404, Telecommunications Operating Subsidy, shall be distributed by eTech Ohio to Ohio's qualified public educational television stations, radio reading services, and educational radio stations to support their operations. The funds shall be distributed pursuant to an allocation formula used by the Ohio Educational Telecommunications Network Commission unless and until a substitute formula is developed by eTech Ohio in consultation with Ohio's qualified public educational television stations, radio reading services, and educational radio stations.

SECTION 285.40. TECHNICAL AND INSTRUCTIONAL PROFESSIONAL DEVELOPMENT

The foregoing appropriation item 935-406, Technical and Instructional Professional Development, shall be used by eTech Ohio to make grants or provide services to qualifying public schools, including the State School for the Blind, the State School for the Deaf, and the Department of Youth Services, for the provision of hardware, software, telecommunications services, and staff development to support educational uses of technology in the classroom.

Of the foregoing appropriation item 935-406, Technical and Instructional Professional Development, up to \$200,000 in each fiscal year shall be used by eTech Ohio to provide competitive professional development grants to school districts. Grant proposals shall focus on developing innovative programs that enhance the abilities of teachers to use innovative methods for integrating technology to implement state academic content standards in classroom lessons. Grant requirements and awards shall be approved by eTech Ohio, with priority given to school districts designated in academic emergency, academic watch, or continuous improvement. eTech Ohio shall develop a web site to share information learned through these programs with school districts statewide. The web site shall be linked with the Ohio Department of Education's Instructional Management System.

Of the foregoing appropriation item 935-406, Technical and Instructional Professional Development, up to \$1,260,000 in each fiscal year shall be allocated equally among the 12 Ohio educational television stations and used with the advice and approval of eTech Ohio. Funds shall be used for the production of interactive instructional programming series with priority given to resources aligned with state academic content standards in consultation with the Ohio Department of Education and for teleconferences to support eTech Ohio. The programming shall be targeted to the needs of the poorest two hundred school districts as determined by the district's adjusted valuation per pupil as defined in former section 3317.0213 of the Revised Code as that section existed prior to June 30, 2005.

The remainder of appropriation item 935-406, Technical and Instructional Professional Development, shall be used by eTech Ohio for professional development for teachers and administrators for the use of educational technology. eTech Ohio may make grants to provide technical assistance and professional development on the use of educational technology to school districts.

Eligible recipients of grants include regional training centers, educational service centers, information technology centers, educational technology centers, institutions of higher education, public television stations, special education resource centers, area media centers, or other nonprofit educational organizations. In addition, services provided through these grants may include use of private entities subcontracting through the grant recipient.

Grants shall be made to entities on a contractual basis with eTech Ohio. Contracts shall include provisions that demonstrate how services will benefit technology use in the public schools, and in particular how services will

support eTech Ohio's efforts to integrate technology in the public schools. Contracts shall specify the scope of assistance being offered and the potential number of professionals who will be served. Contracting entities may be awarded more than one grant at a time. Grants shall be awarded in a manner consistent with the goals and priorities of eTech Ohio. Special emphasis in the award of grants shall be placed on collaborative efforts among service providers.

Application for grants from appropriation item 935-406, Technical and Instructional Professional Development, shall be consistent with a school district's technology plan that shall meet the minimum specifications for school district technology plans as prescribed by eTech Ohio. Funds allocated through these grants may be combined with funds received through other state or federal grants for technology so long as the school district's technology plan specifies the use of these funds.

SECTION 285.50. EDUCATIONAL TECHNOLOGY

The foregoing appropriation item 935-539, Educational Technology, shall be used to provide funding to suppliers of information services to school districts for the provision of hardware, software, and staff development in support of educational uses of technology in the classroom as prescribed by the State Plan for Technology pursuant to section 3301.07 of the Revised Code, and to support assistive technology for children and youth with disabilities.

eTech Ohio shall contract with educational television to provide Ohio public schools with instructional resources and services with priority given to resources and services aligned with state academic content standards and such resources and services shall be based upon the advice and approval of eTech Ohio, based on a formula used by the Ohio SchoolNet Commission unless and until a substitute formula is developed by eTech Ohio in consultation with Ohio's educational technology agencies and noncommercial educational television stations.

Resources may include, but not be limited to, the following: prerecorded video materials (including videotape, laser discs, and CD-ROM discs); computer software for student use or student access to electronic communication, databases, spreadsheet, and word processing capability; live student courses or courses delivered electronically; automated media systems; and instructional and professional development materials for teachers. eTech Ohio shall collaborate with public television stations and cooperate with education technology agencies in the acquisition, development, and delivery of these educational resources to ensure

high-quality and educational soundness at the lowest possible cost. Delivery of these resources may utilize a variety of technologies with a preference given to a high speed integrated network that can transport video, voice, data, and graphics simultaneously.

Services shall include presentations and technical assistance that will help students and teachers integrate educational materials that support curriculum objectives, match specific learning styles, and are appropriate for individual interests and ability levels.

The instructional resources and services shall be made available for purchase by chartered nonpublic schools or by school districts for the benefit of pupils attending chartered nonpublic schools.

eTech Ohio shall monitor the developments of technology, coordinate with the Office of Information Technology, and assure the most effective and highest quality operation of eTech Ohio networks. All efforts may be aligned with the State's ongoing efforts to coordinate appropriate network operations through the Office of Information Technology and through the Third Frontier Network.

SECTION 285.55. (A) The Governor is hereby authorized to execute deeds or leases in the name of the state, granting or leasing all of the state's right, title, and interest in eighteen parcels on which stand eTech Ohio towers, the parcels being particularly described as follows:

Akron/Nimisila

Situated in the Township of Green, County of Summit, State of Ohio being part of the Southwest Quarter Section Eighteen (18) of Township Twelve North (T-12-N), Range Nine West (R-9-W), more particularly bounded and described as follows:

Commencing at the Point of Intersection of the centerline of South Main Street (County Highway 50) with the centerline of Caston Road (County Highway 224); thence South 49 07' 20" East along and with the centerline of said Caston Road a distance of 394.15 feet to an iron pin; thence continuing South 49 07' 20" East a distance of 300 feet to an iron pin at a PI of the centerline of said Caston Road; thence South 38 05' 26" East a distance of 138.82 feet to an iron pin at the True Place of Beginning of the parcel of land hereinafter described:

Thence, South 50° 22' 26" East a distance of 50 feet to an iron pin;

Thence, South 9° 37' 34" West a distance of 591.62 feet to an iron pin;

Thence, South 69° 37' 34" West a distance of 50 feet to an iron pin;

Thence, North 49° 22' 19" West a distance of 558.17 feet to an iron pin;

Thence, North 9° 37' 34" East a distance of 50 feet to an iron pin;

Thence, North $67^{\circ} 37' 34''$ East a distance of 558.17 feet to the True Place of Beginning, containing 4.38 acres, to be the same more or less, according to survey by Justin A Seiler, Registered Surveyor #4421, on March 20, 1974, but subject to all legal highways.

Butler

County of Richland in the State of Ohio, and bounded and described as follows: Situated in the Township of Jefferson, County of Richland, State of Ohio and being a part of the Southeast Quarter of the Southeast Quarter Section Twenty-three (23) of Township Nineteen (19), Range Eighteen (18), more particularly bounded and described as follows:

Commencing at the Southeast Corner of said Southeast Quarter Section 23; thence Northerly along and with the East Line of said Quarter a distance of 80 Rods to the Northeast corner of said Southeast Quarter of the Southeast Quarter Section 23; thence Westerly parallel with the South Line of said Quarter a distance of 202.5 feet to the True Place of Beginning;

THENCE, continuing Westerly parallel with said South Line a distance of 688 feet to an iron pin;

THENCE, Southerly with an interior angle of 90° a distance of 763 feet to an iron pin;

THENCE, Easterly with an interior angle of 90° a distance of 688 feet to an iron pin;

THENCE, Northerly with an interior angle of 90° a distance of 763 feet to the True Place of Beginning, containing 12.05 acres, be the same more or less, according to survey by Justin A. Seiler, Registered Surveyor #4421, on March 12, 1974.

Carey

Being a tract of land in Section 28, Range 13E, Township 15, Crawford Township, Wyandot County, State of Ohio which is further described as follows:

Beginning at a point on the north line of Section 28 which line is also the center line of County road 25 (also known as Tyson Road) which point is South $89^{\circ} 53' 11''$ East long the said north line of Section 28, a distance of two hundred sixty-one and ninety hundredths (261.90) feet from the northwest corner of said Section 28 said corner also being the intersection of the center line of County Road 97 and said County Road 25;

Thence, along the said north line of Section 28 North $89^{\circ} 53' 30''$ East, a distance of four hundred thirty-one and seventy-one hundredths (431.71) feet to a point;

Thence, South $3^{\circ} 42' 00''$ West, a distance of twenty and four hundredths (20.04) feet to a concrete monument;

Thence, continuing South 3° 42' 00" West, a distance of seven hundred sixty-nine and fifty-four hundredths (769.54) feet to a concrete monument;
Thence, North 62° 09' 49" West, a distance of five hundred ninety-five and four hundredths (595.04) feet to a concrete monument;
Thence, North 4° 53' 19" West, a distance of four hundred thirty-six and seventy-five hundredths (436.75) feet to a concrete monument;
Thence, North 73° 29' 57" East, a distance of one hundred ninety and fifty-four hundredths (190.54) feet to a concrete monument;
Thence, North 0° 06' 30" West, a distance of twenty and no hundredths (20.00) feet to the point of beginning.

Carmel Church

Township of Bloomfield, in the County of Jackson, and State of Ohio.

Being a tract of land in the Southeast Quarter of Section 35 in Range 17W, Township 8N, Bloomfield Township, Jackson County, Ohio which is further described as follows:

Beginning at a point in the center line of Township Road 144 which point is located by the following two (2) courses from the northwest corner of the said Southeast Quarter of Section 35;

(1) South 4° 24 feet West along the west line of the said Southeast Quarter of Section 35, a distance of one hundred thirty-one and four tenths (131.4) feet to a point in the said center line of Township Road 144;

(2) South 65° 11 feet East along the said center line of Township Road 144, a distance of five hundred eighty-five and no hundredths (585.00) feet to said beginning point;

Thence, South 4° 24 feet West, a distance of thirty-two and one hundredth (32.01) feet to a concrete monument;

thence, continuing South 4° 24 feet West, a distance of six hundred forty-two and forty hundredths (642.40) feet to a concrete monument;

thence, continuing South 4° 24 feet West, a distance of thirty-two and two hundredths (32.02) feet to a point in the County Road 46;

thence, North 73° 56 feet East being in County Road 46, a distance of one thousand eleven and forty-nine hundredths (1,011.49) feet to a point in the aforementioned center line of Township Road 144;

thence, North 65° 11 feet West along the said center line of County Road 144, a distance of one thousand eleven and seventeen hundredths (1,011.17) feet to the point of the beginning.

This tract contains seven and six hundred eight-two thousandths (7.682) acres, more or less.

Celina

TRACT ONE

Being a parcel of land situated in Jefferson Township, Mercer County, Ohio in the northeast quarter of the northeast quarter of Section 4, Township 6 South, Range 3 East. Being more particularly described as follows:

Commencing for reference at a 5/8 inch iron bar at the northeast corner of said section 4

Thence, south 00° 50' 10" west, along the east line of said section 4 and the centerline of Dibble Road, a distance of thirty (30.00) feet to the south line of the Norfolk and Western Railroad Right-of Way. Said point being the place of beginning for the parcel to be described herein

Thence, continuing south 00° 50' 10" west along the last described line, a distance of two hundred thirty-eight and 50/100 (238.50) feet to a point

Thence, north 89° 05' 33" west, a distance of two hundred sixty-seven and 91/100 (267.91) feet to a point

Thence, north 00° 50' 10" east, a distance of two hundred thirty-eight and 51/100 (238.50) feet to the south line of the aforementioned Norfolk the Western Railroad right-of-way

Thence, south 89° 05' 33" east, along said south right-of-way, a distance of two hundred sixty-seven and 91/100 (267.91) feet to the place of beginning
Containing 1.467 acres of land more or less.

TRACT TWO

Being a parcel of land situated in Jefferson Township, Mercer County, Ohio in the northwest quarter of the northeast quarter of Section 3, Township 6 South, Range 3 East. Being more particularly described as follows:

Commencing for reference at a 5/8 inch iron bar at the northwest corner of said section 3

Thence, south 00° 50' 10" west, along the east line of said section 3 and the centerline of Dibble Road, a distance of fifty (50.00) feet to the south line of the Norfolk and Western Railroad Right-of-Way. Said point being the place of beginning for the parcel to be described herein

Thence, continuing south 00° 50' 10" west along the last described line, a distance of Five Hundred eighty-two and 50/100 (582.50) feet to a point

Thence, north 89° 05' 33" east, a distance of three hundred sixty-seven and 91/100 (367.91) feet to a point

Thence, north 00° 50' 10" east, a distance of five hundred eighty-two and 50/100 (582.50) feet to the south line of the aforementioned Norfolk and Western Railroad right-of-way

Thence, north 89° 05' 33" west, along said south right-of-way, a distance of three hundred sixty-seven and 91/100 (367.91) feet to the place of beginning
Containing 4.920 acres of land more or less.

College Corner/Oxford

Situate in the State of Ohio, Butler County, Oxford Township, being a part of Section 5, Range 1 East, Township 5 North, Congress Lands West of the Miami, also being a parcel out of those lands conveyed to Miami University by Deed of Record in Deed Book 965, Page 42, Recorder's Office, Butler County, Ohio and being a lease for a radio broadcasting antenna tower and the necessary guy and anchor structures, more particularly described as follows:

Beginning for reference at the northwest corner of Section 5, Range 1 East, Township 5 North, Congress Lands West of the Miami, said point also being at the intersection of Jones Road and Taylor Road and in the Preble-Butler County Line; thence leaving said County Line, said Jones road and with the centerline of said Taylor Road and the west line of said Section 5, South $00^{\circ} 05'$ West 3619.2 feet to a point, said point being the northwesterly corner of the 14.01 acre tract as conveyed in said Deed Book 695, Page 42,; thence leaving the centerline of said Taylor Road and the west line of said Section 5 and with a northerly line of said 14.01 acre parcel South 89 degrees $55'$ East 356.8 feet to a point; thence leaving the northerly line of said 14.01 acre parcel and crossing said 14.01 acre parcel South $00^{\circ} 05'$ West 40.00 feet to a point; thence continuing across said 14.01 acre parcel North $87^{\circ} 53'$ East 386.5 feet to the center of an existing antenna tower and the True Point of Beginning of the herein described leases, said tower also having geographic coordinates of North Latitude $39^{\circ} 31' 37''$ and West Longitude $84^{\circ} 47' 36''$.

Parcel A: Being a circular area of fifty (50.00) foot radius centered on the aforescribed antenna tower and containing 7854 square feet, more or less.

Parcel B: Beginning at a point which bears North $27^{\circ} 53'$ East, a distance of fifty (50.00) feet from the aforescribed antenna tower and at a point on the circumference of the aforescribed circle; thence with the centerline of a twenty (20.00) foot wide easement, being ten (10.00) feet on each side of said centerline

North $27^{\circ} 53'$ East 300.00 feet to the terminus of said Lease B and containing 6006.7 square feet, more or less.

Parcel C: Beginning at a point which bears South $32^{\circ} 07'$ East a distance of fifty (50.00) feet from the aforescribed antenna tower and at a point on the circumference of the aforescribed circle; thence with the centerline of a twenty (20.00) foot wide easement, being ten (10.00) feet on each side of said centerline

South $32^{\circ} 07'$ East 293.00 feet to the terminus of said Lease C and containing 5866.7 square feet, more or less

Parcel D: Beginning at a point which bears South $87^{\circ} 53'$ West a distance of

fifty (50.00) feet from the aforescribed antenna tower and at a point on the circumference of the aforescribed circle; thence with the centerline of a twenty (20.00) foot wide easement, being ten (10.00) feet on each side of said centerline

South 87° 53' West 300.00 feet to the terminus of said Lease D and containing 6006.7 square feet, more or less.

The aforescribed four lease parcels containing a total of 25734.1 square feet or 0.591 acres, more or less

Ashtabula

Located in Sheffield Township, Ashtabula County, State of Ohio and being part of Lot 2, Township 12, Range 2 and more particularly described as follows:

Beginning at the intersection of the centerline of Plymouth Ridge Road and the centerline of Wright Street said intersection also being the Southwest corner of Steven Raydek property;

Thence North along the said centerline of Wright Street a distance of 1,782.0 feet to a point;

Thence Easterly with an interior angle of 90° 00 minutes along the Westerly projection of the East guy line a distance of 180.0 feet to the center of the tower.

Fairborn/Wright State

Being a tract of land situated on Wright State University campus, City of Fairborn, Green County, State of Ohio, and being bounded and more particularly described as follows:

Beginning at a point being at P.K. nail located in the centerline of Colonel Glenn Highway, and the point being referred to as station 104+00; thence North (13°-17'-57") East a distance of 1933.55 feet to an iron pin being the true point of beginning; thence North (44°-08'-37") West a distance of 49.04 feet to an iron pin; thence North (45°-51'-23") East a distance of 70.95 feet to an iron pin; thence South (44°-08'-37") a distance of 49.04 feet to an iron pin; thence South (45°-51'-23") West a distance of 70.95 feet to an iron pin being the true point of beginning containing 0.080 acres more or less subject however to all easements of record.

Lancaster

Situated in the state of Ohio, County of Fairfield, Township of Hocking and further described as follows:

Being a site 100' in length, east and west, by 50' in width, north and south, within which area a base for a broadcasting tower, a generator pad and a tank foundation are to be constructed, said tower to be located approximately 184 feet north of the southwest corner of building No. 2.004

and approximately 132 feet east of the fence along the easterly side of Jackson Road, also, together with existing guy wires and an access road running from Jackson Road, thence due east to the west line of the above described site.

London

Roberts Mill Road on certain lands belonging to the State of Ohio, known as London Prison Farm.

Loudonville

Located in Washington Township, Holmes County, State of Ohio and in the East Half of the northwest Quarter of Section 5, Township 19, Range 15 and more particularly described as follows:

Beginning at the intersection of the centerline of Township Road 32 and the west line of the east half of the northwest quarter of Section 5, said west line also being the Grantor's westerly property line.

Thence easterly along the said centerline a distance of 270.8 feet to a point; Thence Southerly along the North Guy line projected a distance of 660.25 feet to the center of the Tower, said center of the Tower being 314 feet, more or less, easterly of the said West line of the East Half of the northwest Quarter of Section 5.

The total area of occupancy, including the tower base, building and guy line areas shall not exceed 1.0 acre.

Mansfield

Situate in the State of Ohio, County of Richland, Washington Township, being a part of the Northwest Quarter (1/4) of Section 11, Township 20 North, Range 18 West, also being a parcel out of those lands conveyed to James Edward Procker by Deed of Record in Deed Book 585, Page 578, Recorders Office, Richland County, Ohio and being more particularly described as follows:

Beginning for Reference at the intersection of the centerline of the Mansfield-Washington Road (C.H. 301) and the southeast line of James Procker's 15 acre parcel as described in said Deed Book 585, Page 578, Recorder's Office, Richland County, Ohio and in the Northeast Quarter (1/4) of said Section 11; thence leaving said Mansfield-Washington Road and with the southeast line of said James Procker South 47° 59' 08" West 968.22 feet to a point on the East line of Northwest Quarter (1/4) of said Section 11; thence leaving the East line of said Northwest Quarter (1/4) of said Section 11 and across the lands of said James Procker and the Northwest Quarter (1/4) of said Section 11 North 64° 11' 46" West 1186.56 feet to a point, the center of an existing radio transmission tower; thence North 09° 01' 06" West 13.00 feet to the Reference Point of Beginning of the four (4)

hereinafter described easements, said Point of Beginning being half (1/2) way towards another existing radio transmission tower, 26.00 feet northerly from the first transmission tower.

Lease No. 1 Circular Area

Being a Circle having a 75.00 foot Radius, centered upon The Reference Point of Beginning as described above, said Reference Point being True Point of Beginning for this circular area and lying half (1/2) way between two existing Radio Transmission Towers and containing 17,671 square feet, more or less.

Lease No. 2 Guy and Anchor Area (Northerly)

Beginning for Reference at the aforementioned Reference Point of Beginning at a point half (1/2) way between two existing Radio Transmitting Towers; thence North 09 50' 08" East 75.00 feet to a point on the circumference of the 75.00 foot radius circle described in Lease No. 1 above and the True Point of Beginning of the following described parcel; thence along the centerline of a 18.00 foot wide strip, 9 foot on each side of the following described line and parallel with the northerly guy of the southerly Radio Transmitting Tower,

North 09° 50' 08" East 237.14 feet to the terminus of Lease No. 2 and containing 4269 square feet, more or less.

Lease No. 3 Guy and Anchor Area (Southeasterly)

Beginning for Reference at the aforementioned Reference Point of Beginning at a point half (1/2) way between two existing Radio Transmitting Towers; thence South 50 09' 52" East 75.00 feet to a point on the circumference of the 75.00 foot radius circle described in Lease No. 1 above and the True Point of Beginning of the following described parcel; thence along the centerline of a 27.00 foot wide strip, 13.50 feet on each side of the following described line and parallel with the southeasterly guy of the southerly Radio Transmitting Tower,

South 50° 09' 52" East 217.93 feet to the terminus of Lease No. 3 and containing 5884 square feet, more or less.

Lease No. 4 Guy and Anchor Area (southwesterly)

Beginning for Reference at the aforementioned Reference Point of Beginning at a point half (1/2) way between two existing Radio Transmitting Towers; thence South 69° 50' 08" West 75.00 feet to a point on the circumference of the 75.00 foot radius circle described in Lease No. 1 above and the True Point of Beginning of the following described line and parallel with the southwesterly guy of the southerly Radio Transmitting Tower.

South 69° 50' 08" West 240.84 feet to the terminus of Lease No. 4 and

containing 10,356 square feet, more or less.

Maplewood

The following described Real Estate, situate in the Township of Jackson in the County of Shelby and State of Ohio.

Being part of the southeast quarter of the southeast quarter of Section 29, Town 7 South, Range 7 East, Jackson Township, Shelby County, Ohio, and more particularly described as follows:

Commencing at the stone at the Southeast corner of the Southeast quarter of Section 29, Jackson Township, (stone being in the center on the Wones Road and State Route 119); thence in a westerly direction along the center of the State Route 119, 971.58 feet to a Railroad Spike, this being the PLACE OF BEGINNING. Thence continuing in a westerly direction along the center of State Route 119, 340.80 feet to a Railroad Spike on the West line of the Southeast Quarter of the Southeast Quarter of Section 29, Jackson Township; thence in a Northerly direction with an internal angle of 89 degrees 25 minutes along the West line of the Southeast Quarter of the Southeast Quarter of Section 29, Jackson Township, 1142.38 feet to a Railroad Tie corner post; thence in an Easterly direction with an internal angle of 90 degrees 40 minutes 339.50 feet to an iron pipe; thence in a Southerly direction with an internal angle of 89 degrees 22 minutes, 1143.63 feet to the Railroad Spike in the center of State Route 119, which was the PLACE OF BEGINNING.

The above described tract of land contains 8.92 areas more or less, subject to all legal highways and easements of record. Being part of the same premises conveyed by deed recorded in Volume 196, Page 132 of the Deed Records of Shelby County, Ohio.

ALSO, Situate in the Township of Jackson in the County of Shelby and State of Ohio.

The following described tract of land is part of the southeast quarter of southeast quarter of Section 29 - T7S - R7E, Jackson Township, Shelby County, Ohio and is more particularly described as follows.

Commencing at a stone at the southeast corner of southeast quarter of Section 29 Jackson Township. (Stone being in the center on Wones Road and State Route 119).

Thence in a westerly direction along center line of S. R. 119, 777.46' to first railroad spike. Continuing in westerly direction along center line of S.R. 119, 194.12' to second railroad spike.

Thence in a northerly direction with internal angle of 89°, 27', 495 ft. to I.P. (set stake). This being place of beginning.

Thence in a northerly direction 634.08' to an iron pipe (post).

Thence in an easterly direction with internal angle of $90^{\circ} - 18'$, 194.11' to an iron pipe.

Thence in a southerly direction with internal angle of $89^{\circ} - 42'$, 633.33' to a point (set stake).

Thence in a westerly direction with internal angle of $90^{\circ} - 33'$, 194.115' to I.P. which was place of beginning.

Millersburg

Being a part of a 35.47 acre parcel of land, known as lot #24 in the 1st quarter Township, Township 9, Range 8, Monroe Township, Holmes County, Ohio. Being more particularly described as follows:

Being a plot approximately 30' X 20' (approximately 600 square feet), located in the northwest corner of the property with center of tower base to be located approximately 500' south of north property line and 152' east of West property line.

Thompson

Begin part of a 16 acre parcel of land situated in Thompson Township, Geauga County, Ohio, and known as Lot #20 as described in Deed #272-290. Being more particularly described as follows:

Being a triangular land area measuring fifty (50) feet southwest to north by fifty (50) feet southeast to north by fifty (50) feet west to east to be situated at the northwest corner of the aforementioned 16 acre parcel. Also being an additional rectangular land area measuring from the southwest corner of the aforementioned land area south 21 feet then east by 35 feet then north by 21 feet thus returning to the southeast corner of the aforementioned land area.

Warrensville Heights

$41^{\circ} 26' 48''N$

$81^{\circ} 30' 20''W$

Wilberforce (CSU)

Situate in the State of Ohio, Greene County, Xenia Township and the Village of Wilberforce and being a part of those lands conveyed from Central State University to the Ohio Educational Broadcasting Network Commission by a Transfer of Jurisdiction, dated September 18, 1974, and being two (2) easements more particularly described as follows:

Tract No. 1. Steam Tunnel serving Lane Hall (Guy and Anchor Block)

Being an eight foot (8.0') wide easement, four feet (4.0') on each side of the following described centerline; Beginning for Reference at approximate station 11+60 as shown on Drawing No. G-1, Sheet 3 of 35, Section No. G-5, Titled Project No. 255-88-059, UTILITY TUNNEL LOOP, Phase 1, Central State University and prepared by Fosdick and Hilmer, Inc., Consulting Engineers and THP Limited of Cincinnati, Ohio; thence with the

centerline of the Steam Tunnel serving said Lane Hall, South 31° East 30.0 feet more or less; thence South 48° 30' East 84.3 feet, more or less, to the True Point of Beginning of the herein described easement; thence continuing with the centerline of said Steam Tunnel

South 48° 30' East 17.4 feet, more or less, to the terminus of the herein described easement.

Tract No. 2. Steam Tunnel G-5 Serving the Cosby Center for Mass Communication (antenna site)

Being a five foot (5.0') wide easement, two and one-half feet (2.5') on each side of the following described centerline; Beginning for Reference at a northerly corner of the Cosby Center for Mass Communication; thence with a northwesterly wall of said Cosby Center South 41° West 67.4 feet, more or less, to the True Point of Beginning of the herein described easement and on the centerline of said Steam Tunnel as shown on Drawing No. G-1, Sheet 3 of 35, Section No. G-5, Titled Project No. 255-88-059, UTILITY TUNNEL LOOP, Phase 1, Central State University and prepared by Fosdick and Hilmer, Inc. and THP Limited of Cincinnati, Ohio; thence with the centerline of said Steam Tunnel.

North 49° West 4.6 feet, more or less; thence

North 41° East 23.3 feet, more or less, to the terminus of the herein described easement.

Wooster

Being a tract of land in Section 15, Range 13W, Township 16N, Wooster Township, Wayne County, State of Ohio which is further described as follows:

Beginning for a point at a concrete monument which point is located by the following two (2) courses from the southeast corner of Section 15:-

(1) North 0° 03' 45" East, a distance of one thousand one hundred fifty-five and twenty hundredths (1,155.20) feet to a point in the centerline of Hayden Road;

(2) North 58° 15' 15" West, a distance of four hundred eighty-three and eighty-six hundredths (483.86) feet to the said point of beginning.

Thence, North 89° 28' 57" West, a distance of five hundred seventy and no hundredths (570.00) feet to a concrete monument;

Thence, North 0° 31' 03" East, a distance of six hundred fifty-eight and eighteen hundredths (658.18) feet to a concrete monument;

Thence, South 89° 28' 67" East, a distance of five hundred seventy and no hundredths (570.00) feet to a concrete monument;

Thence, South 0° 31' 03" West, a distance of six hundred fifty eight and eighteen hundredths (658.18) feet to the point of beginning.

This tract contains eight and sixty-one hundredths (8.61) acres, more or less.

(B) All rights, privileges, ownership, and control of the towers shall be transferred from eTech Ohio to the Office of Information Technology (OIT) by July 1, 2007. Where the land upon which the towers are located is leased by eTech Ohio, eTech Ohio shall relinquish its right on any such lease and OIT shall be substituted as the lessee of the premises by July 1, 2007, under the same terms, provisions, and conditions as specified in each lease agreement, subject to the lessor's consent. Where the land upon which the towers are located is owned by eTech Ohio, all rights, privileges, ownership and control of the land shall be transferred to OIT by July 1, 2007. The transfers and assignments of the eighteen tower site designations are subject to eTech Ohio's continued right to use the towers and the premises on which the towers are located for transmission and broadcasting; to OIT policies and procedures; and to completion of any legal surveys of the premises deemed necessary by the Office of Real Estate Services.

(C) Renewable leases and deeds to implement this section shall be prepared by the Auditor of State with the assistance of the Attorney General, executed by the Governor, countersigned by the Secretary of State, sealed with the Great State of Ohio, and presented for recording in the Office of the Auditor of State. Each deed or lease shall be delivered to the original grantor or lessor of each property for recording in the office of the appropriate county recorder.

SECTION 285.60. TELECOMMUNITY

The foregoing appropriation item 935-630, Telecommunity, shall be distributed by eTech Ohio on a grant basis to eligible school districts to establish "distance learning" through interactive video technologies in the school district. Per agreements with eight Ohio local telephone companies ALLTEL Ohio, CENTURY Telephone of Ohio, Chillicothe Telephone Company, Cincinnati Bell Telephone Company, Orwell Telephone Company, Sprint North Central Telephone, VERIZON, and Western Reserve Telephone Company, school districts are eligible for funds if they are within one of the listed telephone company service areas. Funds to administer the program shall be expended by eTech Ohio up to the amount specified in agreements with the listed telephone companies.

Within thirty days after the effective date of this section, the Director of Budget and Management shall transfer to Fund 4W9 in the State Special Revenue Fund Group any investment earnings from moneys paid by any telephone company as part of any settlement agreement between the listed companies and the Public Utilities Commission in fiscal years 1996 and

beyond.

DISTANCE LEARNING

The foregoing appropriation item 935-634, Distance Learning, shall be distributed by eTech Ohio on a grant basis to eligible school districts to establish "distance learning" in the school district. Per the agreement with Ameritech, school districts are eligible for funds if they are within an Ameritech service area. Funds to administer the program shall be expended by eTech Ohio up to the amount specified in the agreement with Ameritech.

Within thirty days after the effective date of this section, the Director of Budget and Management shall transfer to Fund 4X1 in the State Special Revenue Fund Group any investment earnings from moneys paid by any telephone company as part of a settlement agreement between the company and the Public Utilities Commission in fiscal year 1995.

GATES FOUNDATION GRANTS

The foregoing appropriation item 935-607, Gates Foundation Grants, shall be used by eTech Ohio to provide professional development to school district principals, superintendents, and other administrative staff for the use of education technology.

SECTION 287.10. ETH OHIO ETHICS COMMISSION

General Revenue Fund

GRF 146-321	Operating Expenses	\$	1,863,028	\$	1,967,275
TOTAL GRF General Revenue Fund		\$	1,863,028	\$	1,967,275

General Services Fund Group

4M6 146-601	Operating Expenses	\$	527,543	\$	477,543
TOTAL GSF General Services Fund Group		\$	527,543	\$	477,543
TOTAL ALL BUDGET FUND GROUPS		\$	2,390,571	\$	2,444,818

SECTION 289.10. EXP OHIO EXPOSITIONS COMMISSION

General Revenue Fund

GRF 723-403	Junior Fair Subsidy	\$	400,000	\$	400,000
TOTAL GRF General Revenue Fund		\$	400,000	\$	400,000

State Special Revenue Fund Group

4N2 723-602	Ohio State Fair Harness Racing	\$	520,000	\$	520,000
506 723-601	Operating Expenses	\$	13,643,315	\$	13,643,315
640 723-603	State Fair Reserve	\$	125,337	\$	0
TOTAL SSR State Special Revenue Fund Group		\$	14,288,652	\$	14,163,315
TOTAL ALL BUDGET FUND GROUPS		\$	14,688,652	\$	14,563,315

STATE FAIR RESERVE

The foregoing appropriation item 723-603, State Fair Reserve, shall

serve as a budget reserve fund for the Ohio Expositions Commission in the event of a significant decline in attendance because of inclement weather or extraordinary circumstances during the Ohio State Fair resulting in a loss of revenue. The State Fair Reserve Fund (Fund 640) may be used by the Ohio Expositions Commission to pay bills resulting from the Ohio State Fair only if all the following criteria are met:

(A) Admission revenues for the 2007 Ohio State Fair are less than \$2,025,000 or the admission revenues for the 2008 Ohio State Fair are less than \$2,065,000 because of inclement weather or extraordinary circumstances. These amounts are ninety per cent of the projected revenues for each year.

(B) The Ohio Expositions Commission declares a state of fiscal exigency and requests release of funds from the Director of Budget and Management.

(C) The Director of Budget and Management releases the funds. The Director of Budget and Management may approve or disapprove the request for release of funds, may increase or decrease the amount of release, and may place conditions as the Director considers necessary on the use of the released funds. The Director of Budget and Management may transfer the appropriation from fiscal year 2008 to fiscal year 2009 as needed.

In the event that the Ohio Expositions Commission faces a temporary cash shortage that will preclude it from meeting current obligations, the Commission may request the Director of Budget and Management to approve use of the State Fair Reserve Fund (Fund 640) to meet those obligations. The request shall include a plan describing how the Commission will eliminate the cash shortage. If the Director of Budget and Management approves the expenditures, the Commission shall reimburse the State Fair Reserve Fund (Fund 640) by the thirtieth day of June of that same fiscal year through an intrastate transfer voucher. The amount reimbursed is hereby appropriated.

SECTION 291.10. GOV OFFICE OF THE GOVERNOR

General Revenue Fund

GRF 040-321	Operating Expenses	\$	3,754,045	\$	3,754,045
GRF 040-403	Federal Relations	\$	435,443	\$	435,443
GRF 040-408	Office of Veterans' Affairs	\$	287,000	\$	298,000
TOTAL GRF General Revenue Fund		\$	4,476,488	\$	4,487,488

General Services Fund Group

5AK 040-607	Federal Relations	\$	365,149	\$	365,149
TOTAL GSF General Services Fund Group		\$	365,149	\$	365,149
TOTAL ALL BUDGET FUND GROUPS		\$	4,841,637	\$	4,852,637

FEDERAL RELATIONS

A portion of the foregoing appropriation items 040-403, Federal Relations, and 040-607, Federal Relations, may be used to support Ohio's membership in national or regional associations.

The Office of the Governor may charge any state agency of the executive branch using an intrastate transfer voucher such amounts necessary to defray the costs incurred for the conduct of federal relations associated with issues that can be attributed to the agency. Amounts collected shall be deposited to the Office of the Governor Federal Relations Fund (Fund 5AK).

SECTION 293.10. DOH DEPARTMENT OF HEALTH

General Revenue Fund

GRF 440-407	Animal Borne Disease and Prevention	\$	2,327,101	\$	2,327,101
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	\$	9,522,874	\$	9,622,874
GRF 440-418	Immunizations	\$	9,400,615	\$	9,400,615
GRF 440-425	Abstinence and Adoption Education	\$	500,000	\$	500,000
GRF 440-431	Free Clinic Liability Insurance	\$	250,000	\$	250,000
GRF 440-437	Healthy Ohio	\$	1,502,618	\$	2,855,553
GRF 440-438	Breast and Cervical Cancer Screening	\$	2,500,000	\$	2,500,000
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	\$	10,923,397	\$	14,041,847
GRF 440-505	Medically Handicapped Children	\$	10,791,784	\$	10,791,784
GRF 440-507	Targeted Health Care Services Over 21	\$	1,681,023	\$	1,681,023
GRF 440-511	Uncompensated Care and Emergency Medical Assistance	\$	0	\$	3,500,000
TOTAL GRF General Revenue Fund		\$	79,799,699	\$	87,871,084
General Services Fund Group					

Am. Sub. H. B. No. 119

1623

142	440-646	Agency Health Services	\$	3,461,915	\$	3,461,915
211	440-613	Central Support Indirect Costs	\$	28,884,707	\$	28,884,707
473	440-622	Lab Operating Expenses	\$	4,954,045	\$	4,954,045
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			\$	38,678,881	\$	38,678,881
Federal Special Revenue Fund Group						
320	440-601	Maternal Child Health Block Grant	\$	30,666,635	\$	30,666,635
387	440-602	Preventive Health Block Grant	\$	7,826,659	\$	7,826,659
389	440-604	Women, Infants, and Children	\$	230,077,451	\$	230,077,451
391	440-606	Medicaid/Medicare	\$	24,850,959	\$	24,850,959
392	440-618	Federal Public Health Programs	\$	136,778,215	\$	136,778,215
TOTAL FED Federal Special Revenue						
Fund Group			\$	430,199,919	\$	430,199,919
State Special Revenue Fund Group						
4D6	440-608	Genetics Services	\$	3,317,000	\$	3,317,000
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	Miscellaneous Expenses	\$	446,468	\$	446,468
4T4	440-603	Child Highway Safety	\$	233,894	\$	233,894
4V6	440-641	Save Our Sight	\$	1,767,994	\$	1,767,994
470	440-647	Fee Supported Programs	\$	27,996,243	\$	25,905,140
471	440-619	Certificate of Need	\$	869,000	\$	898,000
477	440-627	Medically Handicapped Children Audit	\$	3,693,016	\$	3,693,016
5B5	440-616	Quality, Monitoring, and Inspection	\$	838,479	\$	838,479
5CB	440-640	Poison Control Centers	\$	150,000	\$	150,000
5CN	440-645	Choose Life	\$	75,000	\$	75,000
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
5EC	440-650	Health Emergency	\$	15,312,500	\$	0
5ED	440-651	Smoke Free Indoor Air	\$	800,000	\$	800,000
5G4	440-639	Adoption Services	\$	20,000	\$	20,000
5L1	440-623	Nursing Facility Technical Assistance Program	\$	664,282	\$	698,595
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			\$	74,910,263	\$	57,569,973
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	\$	623,678,762	\$ 614,409,857

SECTION 293.20. CHILD AND FAMILY HEALTH SERVICES

Of the foregoing appropriation item 440-416, Child and Family Health Services, not more than \$1,700,000 in each fiscal year shall be used for women's health services.

Of the foregoing appropriation item 440-416, Child and Family Health Services, not more than \$270,000 shall be used in each fiscal year for the OPTIONS dental care access program.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$1,900,000 in fiscal year 2008 and \$2,150,000 in fiscal year 2009 shall be used by federally qualified health centers and federally designated look-alikes to provide services to uninsured low-income persons.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$10,000 in each fiscal year shall be allocated to the Jewish Family Services in Cleveland, \$10,000 in each fiscal year shall be allocated to the Jewish Family Services in Cincinnati, \$10,000 shall be allocated in each fiscal year to the Jewish Family Services in Columbus, and \$10,000 in each fiscal year shall be allocated to the Wexner Heritage Village in Columbus for interpreters for health care.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$10,000 in each fiscal year shall be provided to the Jewish Family Services in Dayton, \$5,000 in each fiscal year shall be provided to the Jewish Community Center in Akron, \$5,000 in each fiscal year shall be provided to the Jewish Community Center in Sylvania, \$2,500 in each fiscal year shall be provided to the Jewish Community Center in Youngstown, and \$2,500 in each fiscal year shall be provided to the Jewish Community Center in Canton.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$16,667 in each fiscal year shall be allocated to the Yassenoff Jewish Community Center, \$16,667 in each fiscal year shall be allocated to the Jewish Community Center in Cincinnati, and \$16,666 in each fiscal year shall be allocated to the Jewish Community Center in Cleveland for children's health and nutrition camp programs.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$16,666 in each fiscal year shall be allocated to the Athens Community Center.

Of the foregoing appropriation item 400-416, Child and Family Health

Services, \$25,000 in each fiscal year shall be allocated to the Wellness Community of Greater Columbus to provide support services for people with cancer, their families, and caregivers.

Of the foregoing appropriation item 440-416, Child and Family Health Services, \$100,000 in each fiscal year shall be allocated to the Compdrug Teen Dating Violence Prevention Project in Franklin County.

SECTION 293.25. COLLEGE PREGNANCY AND PARENTING OFFICES PILOT PROGRAM

(A) As used in this section, "institution of higher education" means a public or private university or college in this state, including a community college or state community college.

(B) The Director of Health shall conduct a pilot program in fiscal year 2009 for the purpose of awarding grants to up to four institutions of higher education to establish and operate on a selected institution's campus an office that provides support to students who are pregnant or who are the parents or legal guardians of one or more minors. Planning for the pilot program shall commence in fiscal year 2008.

(C) An institution of higher education may apply for a grant by completing and submitting an application form supplied by the Director. The Director may require the institution to submit additional information after the Director has reviewed the application.

(D) Before awarding a grant, the Director shall secure a written agreement in which the proposed grantee commits to doing all of the following:

(1) Locating the office described in division (B) of this section on the campus of the institution.

(2) Assessing the institution's performance in both of the following areas:

(a) Offering health insurance plans to students that include coverage for prenatal and postpartum care and riders for the coverage of additional family members;

(b) Providing services or items that meet the needs of students who are pregnant or who are the parents or legal guardians of one or more minors, including family housing, child care, flexible or alternative academic scheduling, education concerning responsible parenting and healthy marriages, maternity and infant clothing, formula and baby food, and baby furniture.

(3) Identifying and establishing programs with public and private service providers located on campus and in the local community that are

qualified to meet the needs described in division (D)(2)(b) of this section.

(4) Assisting students in locating and obtaining services that meet the needs described in division (D)(2)(b) of this section.

(5) Providing, on the request of an individual student, referrals for prenatal care and delivery, infant or foster care, or adoption. The office shall make referrals only to persons or governmental entities that primarily serve parents, prospective parents awaiting adoption, pregnant women who plan to parent or place a child for adoption, or married couples or couples that plan on marrying in order to provide a supportive environment for each other and one or more minors.

(6) Providing, by a date determined by the Director, a written report to the Director that itemizes the office's expenditures during the fiscal year and meets the format or form established by the Director under division (E) of this section.

(7) Providing, after the Director's review of the report described in division (D)(6) of this section, any additional information requested by the Director.

(E) The Director shall establish a format or form for the written report that must be provided by an institution under division (D)(6) of this section. In establishing the format or form, the Director shall identify specific performance criteria the institution must address in the report.

(F) The Director may adopt any rules necessary to implement this section. The rules shall be adopted in accordance with Chapter 119. of the Revised Code.

(G) Of the foregoing appropriation item 440-416, Child and Family Health Services, \$50,000 in fiscal year 2009 shall be used to make grants for the pilot program described in this section.

SECTION 293.27. As used in this section, "federally qualified health center" means a health center that receives a federal public health services grant under the "Public Health Services Act," 117 Stat. 2020, 42 U.S.C. 254b, as amended, or another health center designated by the U.S. Health Resources and Services Administration as a federally qualified health center.

The Department of Health may establish a pilot program to place two federally qualified health centers within or adjacent to hospital emergency departments. One health center shall be located in or adjacent to a hospital located in an urban area and one health center shall be located in or adjacent to a hospital located in a rural area. If the Department establishes the pilot program, not later than one year after the health centers become operational,

the hospital and the health centers shall prepare and submit a report to the Governor and the General Assembly regarding the number of patients that received care at the health centers for nonemergency conditions rather than receiving care at the emergency department.

If the Department does not establish the pilot program not later than one year after the effective date of this section, the Department shall submit a report to the Governor and the General Assembly explaining why it did not do so.

SECTION 293.30. ABSTINENCE AND ADOPTION EDUCATION

The foregoing appropriation item 440-425, Abstinence and Adoption Education, shall be used for abstinence and adoption education. The Director of Health shall develop guidelines for the establishment of abstinence and adoption education programs for teenagers with the purpose of decreasing unplanned pregnancies and abortion. The guidelines shall be developed pursuant to 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.

HEALTHY OHIO

The Department of Health shall distribute \$902,618 in fiscal year 2008 and \$2,055,553 in fiscal year 2009 in appropriation item 440-437, Healthy Ohio, in accordance with the section of this act entitled "HEALTHY OHIO ASSESSMENT."

Of the foregoing appropriation item 440-437, Healthy Ohio, \$100,000 in each fiscal year shall be allocated to the Center for Closing Health Gaps to help with disparities in minority health.

Of the foregoing appropriation item 440-437, Healthy Ohio, \$500,000 in each fiscal year shall be used to support evidence-based programs for diabetes management and prevention, utilizing proven behavior change strategies leading to improved levels of routine physical activity and healthy eating habits. The program shall provide screening for diabetes, and for those determined to be at highest risk for diabetes, education on diabetes, diabetes management, physical activity and eating habits, and opportunities for monitored physical activity for adults and families. Grants shall be provided to, but not limited to, the Ohio YMCA State Alliance in collaboration with other community organizations. Each program shall include post program measurements, including, but not limited to, blood sugar testing, participant satisfaction surveys, and participant retention.

Of the foregoing appropriation item 440-437, Healthy Ohio, \$200,000 in fiscal year 2009 shall be used for the purchase of pneumococcal

vaccinations for children.

BREAST AND CERVICAL CANCER SCREENING

The foregoing appropriation item 440-438, Breast and Cervical Cancer Screening, may be used for breast and cervical cancer screenings and services as permitted under the National Breast and Cervical Cancer Early Detection Project.

HIV/AIDS PREVENTION/TREATMENT

Of the foregoing appropriation item 440-444, AIDS Prevention and Treatment, not more than \$6.7 million in each 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

Of the foregoing appropriation item 440-459, Help Me Grow, \$10,423,397 in fiscal year 2008 and \$13,741,847 in fiscal year 2009 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.

Of the foregoing appropriation item 440-459, Help Me Grow, \$500,000 in fiscal year 2008 and \$300,000 in fiscal year 2009 shall be used for the establishment of the Autism Diagnosis Education Pilot Program. Not later than December 31, 2008, the Director of Health shall compile and submit to the Governor and the General Assembly a written report describing the action taken under the Autism Diagnosis Education Pilot Program since the effective date of this section. Not later than December 31, 2009, the Director shall compile and submit to the Governor and the General Assembly a

written report describing the action taken under the Pilot Program since December 31, 2008.

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. These funds also may be used, to the extent that funding is available, to provide up to 18 in-patient hospital days for participants in the cystic fibrosis program. The Department shall expend all of these earmarked funds.

Of the foregoing appropriation item 440-507, Targeted Health Care Services Over 21, \$900,000 in each fiscal year 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 for the cystic fibrosis program. These funds also may be used, to the extent that funding is available, to provide up to 18 in-patient hospital days for participants in the cystic fibrosis program. The Department shall expend all of these earmarked funds.

UNCOMPENSATED CARE AND EMERGENCY MEDICAL

The foregoing appropriation item 440-511, Uncompensated Care and Emergency Medical Assistance, shall be used to fund programs that provide health care without ability to pay. This is not an entitlement program and services are offered only to the extent that funding is available.

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 and adoption education. The Director of Health shall develop guidelines for the establishment of abstinence and adoption education 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.

FEE SUPPORTED PROGRAMS

Of the foregoing appropriation item 440-647, Fee Supported Programs (Fund 470), \$50,000 in fiscal year 2008 shall be used by the Department to enter into a contract to make hospital performance information available on a web site as required in section 3727.391 of the Revised Code.

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.

TRANSFER FROM STATE FIRE MARSHAL'S FUND (FUND 546) TO THE POISON CONTROL FUND (FUND 5CB) IN THE DEPARTMENT OF HEALTH

Notwithstanding section 3737.71 of the Revised Code, on July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$150,000 cash from the State Fire Marshal's Fund (Fund 546) in the Department of Commerce to the Poison Control Fund (Fund 5CB) in the Department of Health. Notwithstanding section 3737.71 of the Revised Code, on July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$150,000 cash from the State Fire Marshal's Fund (Fund 546) in the Department of Commerce to the Poison Control Fund (Fund 5CB) in the Department of Health.

POISON CONTROL CENTERS

Of the foregoing appropriation item 440-640, Poison Control Centers, in each fiscal year, the poison control centers in the municipal corporations of Cleveland, Cincinnati, and Columbus shall each receive an allocation of \$50,000.

SEWAGE TREATMENT SYSTEM INNOVATION

Any revenues deposited to the credit of the Sewage Treatment System Innovation Fund (Fund 5CJ) in accordance with Section 120.02 of this act are hereby appropriated to appropriation item 440-654, Sewage Treatment System Innovation, in the fiscal year in which the revenues are received. On

July 1, 2008, or as soon as possible thereafter, the Department of Health shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 440-654, Sewage Treatment System Innovation. The Department of Health may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2008 unencumbered appropriations to fiscal year 2009 for use in appropriation item 440-654, Sewage Treatment System Innovation. Additional appropriation authority equal to the amount certified by the Department of Health is hereby appropriated to appropriation item 440-654, Sewage Treatment System Innovation, in fiscal year 2009.

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.

SECTION 293.35. HEALTHY OHIO ASSESSMENT

(A)(1) The Department of Health, through the Healthy Ohio program, shall develop an assessment template for use by the Department and the Departments of Job and Family Services, Aging, Alcohol and Drug Addiction Services, Mental Retardation and Developmental Disabilities, and Mental Health. The assessment template shall assist the agencies to assess current practices and offer recommendations for improvements in the following areas:

(a) Specific interventions provided to improve outcomes measured on an individual basis, including measures taken to identify those in need of care, coordinate their care, and provide direct service interventions.

(b) Cost of the care provided per individual served each fiscal year,

including administrative and infrastructure costs;

(c) How money is tied to specific work completion with a basis for positive impact and positive outcomes and steps each department is making to ensure the people most at-risk receive the interventions;

(d) Strategies used in each department to eliminate service duplication, especially in the area of care coordination.

(2) Each department listed in division (A)(1) of this section shall conduct an assessment of itself using the assessment template. Not later than January 1, 2008, each department shall submit the results of its assessment to the Healthy Ohio program in the Department of Health.

(B) When developing the assessment template, the Department of Health shall consult with associations representing health care providers, business interests, consumer advocates, insurance companies, and other interested parties affected by improved outcomes funding models.

(C) The Department of Health shall organize and produce a summary report of the assessments conducted under division (A)(2) of this section. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate.

The Department shall submit its summary report of the assessments not later than February 1, 2008.

(D) The Department, through the Healthy Ohio program, shall initiate pilot programs throughout the state. The pilot programs shall provide financial support to entities that provide care coordination services to individuals who are at risk for catastrophic and expensive health conditions, as determined by the Department.

In providing the financial support, the Department shall select entities committed to demonstrating the following achievements:

(1) Eliminating service duplication among entities;

(2) Ensuring positive outcomes for individuals by confirming an individual's connection to evidence-based interventions;

(3) Improving focus on at-risk individuals.

Entities participating in the Healthy Ohio pilot programs shall submit written progress reports to the Department in intervals determined by the Department. Financial support shall be provided to participating entities only on a showing of improved outcomes and decreased duplication of services, as determined by the Department.

Care coordination service providers who participate in federal or state programs are eligible to participate in the pilot programs, to the extent permitted by state and federal law.

SECTION 293.40. NURSING FACILITY TECHNICAL ASSISTANCE PROGRAM

The Director of Budget and Management shall transfer, on July 1, 2007, or as soon as possible thereafter, cash from Fund 4E3, Resident Protection Fund, in the Ohio Department of Job and Family Services, to Fund 5L1, Nursing Facility Technical Assistance Program Fund, in the Ohio Department of Health, to be used under section 3721.026 of the Revised Code. The transfers shall equal \$410,111 in fiscal year 2008 and \$698,595 in fiscal year 2009.

CASH TRANSFER FROM FEDERAL PUBLIC HEALTH PROGRAMS FUND TO AGENCY HEALTH SERVICES FUND

As soon as possible on or after July 1, 2007, the Director of Health shall certify to the Director of Budget and Management the amount of cash to be transferred from the Federal Public Health Programs Fund (Fund 392) to the Agency Health Services Fund (Fund 142) to meet the operating needs of the Vital Statistics Program. The Director of Budget and Management shall transfer the amount certified.

SECTION 295.10. HEF HIGHER EDUCATIONAL FACILITY COMMISSION

Agency Fund Group

461 372-601	Operating Expenses	\$	16,819	\$	16,819
TOTAL AGY Agency Fund Group		\$	16,819	\$	16,819
TOTAL ALL BUDGET FUND GROUPS		\$	16,819	\$	16,819

SECTION 297.10. SPA COMMISSION ON HISPANIC/LATINO AFFAIRS

General Revenue Fund

GRF 148-100	Personal Services	\$	160,121	\$	167,156
GRF 148-200	Maintenance	\$	40,000	\$	40,000
GRF 148-402	Community Projects	\$	500,000	\$	500,000
TOTAL GRF General Revenue Fund		\$	700,121	\$	707,156

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		\$	720,121	\$	727,156

SECTION 299.10. OHS OHIO HISTORICAL SOCIETY

General Revenue Fund

GRF 360-501	Operating Subsidy	\$	3,649,244	\$	3,649,252
GRF 360-502	Site and Museum Operations	\$	8,501,781	\$	8,501,788
GRF 360-504	Ohio Preservation Office	\$	417,516	\$	415,381
GRF 360-505	National Afro-American Museum	\$	754,884	\$	754,884
GRF 360-506	Hayes Presidential Center	\$	514,323	\$	514,323
GRF 360-508	State Historical Grants	\$	853,000	\$	775,000
TOTAL GRF General Revenue Fund		\$	14,690,748	\$	14,610,628
TOTAL ALL BUDGET FUND GROUPS		\$	14,690,748	\$	14,610,628

SUBSIDY APPROPRIATION

Upon approval by the Director of Budget and Management, the foregoing appropriation items shall be released to the Ohio Historical Society in quarterly amounts that in total do not exceed the annual appropriations. The funds and fiscal records of the society for fiscal years 2008 and 2009 shall be examined by independent certified public accountants approved by the Auditor of State, and a copy of the audited financial statements shall be filed with the Office of Budget and Management. The society shall prepare and submit to the Office of Budget and Management the following:

(A) An estimated operating budget for each fiscal year of the biennium. The operating budget shall be submitted at or near the beginning of each calendar year.

(B) Financial reports, indicating actual receipts and expenditures for the fiscal year to date. These reports shall be filed at least semiannually during the fiscal biennium.

The foregoing appropriations shall be considered to be the contractual consideration provided by the state to support the state's offer to contract with the Ohio Historical Society under section 149.30 of the Revised Code.

STATE ARCHIVES

Of the foregoing appropriation item 360-501, Operating Subsidy, \$300,000 in each fiscal year shall be used for the State Archives, Library, and Artifact Collections program.

HAYES PRESIDENTIAL CENTER

If a United States government agency, including, but not limited to, the National Park Service, chooses to take over the operations or maintenance of the Hayes Presidential Center, in whole or in part, the Ohio Historical Society shall make arrangements with the National Park Service or other United States government agency for the efficient transfer of operations or maintenance.

HISTORICAL GRANTS

Of the foregoing appropriation item 360-508, State Historical Grants, \$60,000 in fiscal year 2008 shall be distributed to the Paul Laurence Dunbar

Home, \$75,000 in each fiscal year shall be distributed to the Center for Holocaust and Humanity Education located at the Hebrew Union College-Jewish Institute of Religion in Cincinnati, \$350,000 in each fiscal year shall be distributed to the Western Reserve Historical Society, \$350,000 in each fiscal year shall be distributed to the Cincinnati Museum Center, and up to \$18,000 in fiscal year 2008 shall be distributed to the Muskingum River Underground Railroad Historic Marker Project.

PROCESSING FEES

The Ohio Historical Society shall not charge or retain an administrative, service, or processing fee for distributing money that the General Assembly appropriates to the Society for grants or subsidies that the Society provides to other entities for their site-related programs.

SECTION 301.10. REP OHIO HOUSE OF REPRESENTATIVES

General Revenue Fund

GRF 025-321	Operating Expenses	\$	20,574,568	\$	20,574,568
TOTAL GRF General Revenue Fund		\$	20,574,568	\$	20,574,568

General Services Fund Group

103 025-601	House Reimbursement	\$	1,433,664	\$	1,433,664
4A4 025-602	Miscellaneous Sales	\$	37,849	\$	37,849
TOTAL GSF General Services Fund Group		\$	1,471,513	\$	1,471,513
TOTAL ALL BUDGET FUND GROUPS		\$	22,046,081	\$	22,046,081

OPERATING EXPENSES

On July 1, 2007, or as soon as possible thereafter, the Chief Administrative Officer of the House of Representatives shall certify to the Director of Budget and Management the total fiscal year 2007 unencumbered appropriations in appropriation item 025-321, Operating Expenses. The Chief Administrative Officer may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2007 unencumbered appropriations to fiscal year 2008 for use within appropriation item 025-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Chief Administrative Officer is hereby appropriated to appropriation item 025-321, Operating Expenses, in fiscal year 2008.

On July 1, 2008, or as soon as possible thereafter, the Chief Administrative Officer of the House of Representatives shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 025-321, Operating Expenses. The Chief Administrative Officer may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal

year 2008 unencumbered appropriations to fiscal year 2009 for use within appropriation item 025-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Chief Administrative Officer is hereby appropriated to appropriation item 025-321, Operating Expenses, in fiscal year 2009.

SECTION 303.10. HFA OHIO HOUSING FINANCE AGENCY

Agency Fund Group

5AZ 997-601	Housing Finance Agency Personal Services	\$	9,750,953	\$	10,237,491
TOTAL AGY Agency Fund Group		\$	9,750,953	\$	10,237,491
TOTAL ALL BUDGET FUND GROUPS		\$	9,750,953	\$	10,237,491

SECTION 305.10. IGO OFFICE OF THE INSPECTOR GENERAL

General Revenue Fund

GRF 965-321	Operating Expenses	\$	1,367,372	\$	1,437,901
TOTAL GRF General Revenue Fund		\$	1,367,372	\$	1,437,901

General Services Fund Group

4Z3 965-602	Special Investigations	\$	425,000	\$	425,000
TOTAL GSF General Services Fund Group		\$	425,000	\$	425,000
TOTAL ALL BUDGET FUND GROUPS		\$	1,792,372	\$	1,862,901

SECTION 307.10. INS DEPARTMENT OF INSURANCE

Federal Special Revenue Fund Group

3U5 820-602	OSHIIP Operating Grant	\$	1,100,000	\$	1,100,000
TOTAL FED Federal Special Revenue Fund Group		\$	1,100,000	\$	1,100,000

State Special Revenue Fund Group

554 820-601	Operating Expenses - OSHIIP	\$	553,750	\$	569,269
554 820-606	Operating Expenses	\$	23,350,236	\$	23,802,797
555 820-605	Examination	\$	7,639,581	\$	7,868,768
TOTAL SSR State Special Revenue Fund Group		\$	31,543,567	\$	32,240,834
TOTAL ALL BUDGET FUND GROUPS		\$	32,643,567	\$	33,340,834

MARKET CONDUCT EXAMINATION

When conducting a market conduct examination of any insurer doing business in this state, the Superintendent of Insurance may assess the costs of the examination against the insurer. The superintendent may enter into consent agreements to impose administrative assessments or fines for conduct discovered that may be violations of statutes or rules administered by the superintendent. All costs, assessments, or fines collected shall be deposited to the credit of the Department of Insurance Operating Fund (Fund 554).

EXAMINATIONS OF DOMESTIC FRATERNAL BENEFIT SOCIETIES

The Director of Budget and Management, at the request of the Superintendent of Insurance, may transfer funds from the Department of Insurance Operating Fund (Fund 554), established by section 3901.021 of the Revised Code, to the Superintendent's Examination Fund (Fund 555), established by section 3901.071 of the Revised Code, only for expenses incurred in examining domestic fraternal benefit societies as required by section 3921.28 of the Revised Code.

TRANSFER FROM FUND 554 TO GENERAL REVENUE FUND

Not later than the thirty-first day of July each fiscal year, the Director of Budget and Management shall transfer \$5,000,000 from the Department of Insurance Operating Fund to the General Revenue Fund.

SECTION 309.10. JFS DEPARTMENT OF JOB AND FAMILY SERVICES

General Revenue Fund

GRF600-321	Support Services				
	State	\$	50,785,978	\$	52,571,413
	Federal	\$	10,460,286	\$	11,290,237
	Support Services Total	\$	61,246,264	\$	63,861,650
GRF600-410	TANF State	\$	267,619,061	\$	267,619,061
GRF600-413	Child Care Match/Maintenance of Effort	\$	84,120,596	\$	84,120,596
GRF600-416	Computer Projects				
	State	\$	115,383,181	\$	116,419,033
	Federal	\$	21,488,920	\$	21,192,117
	Computer Projects Total	\$	136,872,101	\$	137,611,150
GRF600-417	Medicaid Provider Audits	\$	2,000,000	\$	2,000,000
GRF600-420	Child Support Administration	\$	8,541,446	\$	10,641,446
GRF600-421	Office of Family Stability	\$	4,614,932	\$	4,614,932
GRF600-423	Office of Children and Families	\$	5,650,000	\$	5,900,000
GRF600-425	Office of Ohio Health Plans				
	State	\$	22,500,000	\$	22,500,000
	Federal	\$	23,324,848	\$	23,418,368
	Office of Ohio Health Plans Total	\$	45,824,848	\$	45,918,368
GRF600-502	Administration - Local	\$	34,014,103	\$	34,014,103
GRF600-511	Disability Financial Assistance	\$	22,128,480	\$	25,335,908
GRF600-512	Non-TANF Disaster Assistance	\$	1,000,000	\$	1,000,000
GRF600-521	Entitlement Administration - Local	\$	130,000,000	\$	130,000,000
GRF600-523	Children and Families Services	\$	78,115,135	\$	78,115,135
GRF600-525	Health Care/Medicaid				
	State	\$	3,371,917,993	\$	3,603,598,928
	Federal	\$	5,173,236,576	\$	5,736,989,273

	Health Care Total	\$	8,545,154,569	\$	9,340,588,201
GRF 600-526	Medicare Part D	\$	254,397,401	\$	271,854,640
GRF 600-528	Adoption Services				
	State	\$	37,520,466	\$	43,978,301
	Federal	\$	41,304,043	\$	49,196,065
	Adoption Services Total	\$	78,824,509	\$	93,174,366
GRF 600-529	Capital Compensation Program	\$	7,000,000	\$	0
GRF 600-534	Adult Protective Services	\$	500,000	\$	500,000
TOTAL GRF General Revenue Fund					
	State	\$	4,497,808,772	\$	4,754,783,496
	Federal	\$	5,269,814,673	\$	5,842,086,060
	GRF Total	\$	9,767,623,445	\$	10,596,869,556
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
5BG 600-653	Managed Care Assessment	\$	210,655,034	\$	222,667,304
5C9 600-671	Medicaid Program Support	\$	80,120,048	\$	80,120,048
5DL 600-639	Medicaid Revenue and Collections	\$	51,966,785	\$	56,296,844
5N1 600-677	County Technologies	\$	1,000,000	\$	1,000,000
5P5 600-692	Health Care Services	\$	93,000,000	\$	62,000,000
613 600-645	Training Activities	\$	135,000	\$	135,000
TOTAL GSF General Services Fund Group					
		\$	463,594,635	\$	448,936,964
Federal Special Revenue Fund Group					
3AW 600-675	Faith Based Initiatives	\$	1,000,000	\$	1,000,000
3A2 600-641	Emergency Food Distribution	\$	2,900,000	\$	3,500,000
3D3 600-648	Children's Trust Fund Federal	\$	2,040,524	\$	2,040,524
3F0 600-623	Health Care Federal	\$	1,209,188,383	\$	1,211,196,561
3F0 600-650	Hospital Care Assurance Match	\$	343,239,047	\$	343,239,047
3G5 600-655	Interagency Reimbursement	\$	1,469,763,073	\$	1,513,855,965
3H7 600-617	Child Care Federal	\$	207,269,463	\$	200,167,593
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	\$	232,568,453	\$	233,082,144
3V4 600-678	Federal Unemployment Programs	\$	147,411,858	\$	152,843,414
3V4 600-679	Unemployment Compensation Review Commission - Federal	\$	3,092,890	\$	3,191,862
3V6 600-689	TANF Block Grant	\$	1,037,739,200	\$	1,085,861,099
3W3 600-659	TANF/Title XX Transfer	\$	10,081,377	\$	6,672,366
327 600-606	Child Welfare	\$	48,514,502	\$	47,947,309
331 600-686	Federal Operating	\$	53,963,318	\$	56,263,225
384 600-610	Food Stamps and State Administration	\$	160,237,060	\$	153,147,118
385 600-614	Refugee Services	\$	10,196,547	\$	11,057,826
395 600-616	Special Activities/Child and Family Services	\$	5,723,131	\$	5,717,151
396 600-620	Social Services Block Grant	\$	114,479,464	\$	114,474,085
396 600-651	Second Harvest Food Banks	\$	5,500,000	\$	5,500,000
397 600-626	Child Support	\$	303,661,307	\$	303,538,962
398 600-627	Adoption Maintenance/	\$	318,172,168	\$	317,483,676

		Administration	
TOTAL FED Federal Special Revenue			
Fund Group		\$ 5,841,238,957	\$ 5,926,277,119
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	\$ 12,273,062 \$ 12,188,996
4A9	600-694	Unemployment Compensation Review Commission	\$ 1,726,938 \$ 1,811,004
4E3	600-605	Nursing Home Assessments	\$ 4,759,914 \$ 4,759,914
4E7	600-604	Child and Family Services Collections	\$ 300,000 \$ 300,000
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	\$ 19,332,437 \$ 19,332,437
4R3	600-687	Banking Fees	\$ 800,000 \$ 800,000
4Z1	600-625	HealthCare Compliance	\$ 10,000,000 \$ 10,000,000
5DB	600-637	Military Injury Grants	\$ 2,000,000 \$ 2,000,000
5ES	600-630	Food Assistance	\$ 500,000 \$ 500,000
5F2	600-667	Building Consolidation	\$ 250,000 \$ 250,000
5F3	600-668	Building Consolidation	\$ 1,000,000 \$ 1,000,000
5Q9	600-619	Supplemental Inpatient Hospital Payments	\$ 56,125,998 \$ 56,125,998
5R2	600-608	Medicaid-Nursing Facilities	\$ 175,000,000 \$ 175,000,000
5S3	600-629	MR/DD Medicaid Administration and Oversight	\$ 1,620,960 \$ 1,620,960
5U3	600-654	Health Care Services Administration	\$ 9,867,284 \$ 12,000,349
5U6	600-663	Children and Family Support	\$ 4,928,718 \$ 4,928,718
5Z9	600-672	TANF Quality Control Reinvestments	\$ 520,971 \$ 546,254
651	600-649	Hospital Care Assurance Program Fund	\$ 231,893,404 \$ 231,893,404
TOTAL SSR State Special Revenue			
Fund Group		\$ 590,002,192	\$ 592,160,540
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		\$ 16,794,069,229	\$ 17,695,854,179

SECTION 309.20. SUPPORT SERVICES

SECTION 309.20.10. GOVERNOR'S OFFICE OF FAITH-BASED AND COMMUNITY INITIATIVES

Of the foregoing appropriation item 600-321, Support Services, up to \$312,500 per fiscal year may be used to support the activities of the Governor's Office of Faith-Based and Community Initiatives.

SECTION 309.20.15. OPERATIONS INDUSTRIALIZATION CENTERS

Of the foregoing appropriation item 600-321, Support Services, \$75,000 in each fiscal year shall be provided to the Operations Industrialization Centers of Clark County.

SECTION 309.20.30. AGENCY FUND GROUP

The Agency Fund Group and Holding Account Redistribution Fund Group shall be used to hold revenues until the appropriate fund is determined or until the revenues are directed to the appropriate governmental agency other than the Department of Job and Family Services. If it is determined that additional appropriation authority is necessary, such amounts are hereby appropriated.

SECTION 309.30. MEDICAID

SECTION 309.30.03. EXECUTIVE MEDICAID ADMINISTRATION

(A) The Governor shall create an administration to manage all Medicaid policies and functions and promote the efficient and effective delivery of health care. The responsibilities of this body shall include implementation of recommendations of the Ohio Medicaid Administrative Study Council, except its recommendation for the creation of a separate Medicaid department. In addition, the administration created by this section shall do the following:

(1) Set up a governance structure that includes information technology, strategy and planning, program integrity, resource organization, local government relations, and unified budgeting;

(2) Hire an executive director who shall report directly to the Governor.

(B) Division (A) of this section does not authorize the Governor to replace the Department of Job and Family Services as the single state

agency to supervise the administration of the Medicaid program.

SECTION 309.30.05. ELECTRONIC MEDICAID APPLICATIONS

The Department of Job and Family Services shall assist county departments of job and family services to develop and obtain electronic databases and other necessary systems through a competitive process to comply with section 5111.017 of the Revised Code.

SECTION 309.30.10. HEALTH CARE/MEDICAID

The foregoing appropriation item 600-525, Health Care/Medicaid, shall not be limited by section 131.33 of the Revised Code.

SECTION 309.30.13. CHILDREN'S HOSPITALS

(A) As used in this section:

"Children's hospital" means a hospital that primarily serves patients eighteen years of age and younger and is excluded from Medicare prospective payment in accordance with 42 C.F.R. 412.23(d).

"Medicaid inpatient cost-to-charge ratio" means the historic Medicaid inpatient cost-to-charge ratio applicable to a hospital as described in rules adopted by the Director of Job and Family Services in paragraph (B)(2) of rule 5101:3-2-22 of the Administrative Code.

(B) Notwithstanding paragraph (C)(5) of rule 5101:3-2-07.9 of the Administrative Code and except as provided in division (C) of this section, the Director of Job and Family Services shall pay a children's hospital that meets the criteria in paragraphs (E)(1) and (2) of rule 5101:3-2-07.9 of the Administrative Code, for each cost outlier claim made in fiscal years 2008 and 2009, an amount that is the product of the hospital's allowable charges and the hospital's Medicaid inpatient cost-to-charge ratio.

(C) The Director of Job and Family Services shall cease paying a children's hospital for a cost outlier claim under the methodology in division (B) of this section and revert to paying the hospital for such a claim according to methodology in paragraph (A)(6) or (C)(5) of rule 5101:3-2-07.9 of the Administrative Code, as applicable, when the difference between the total amount the Director has paid according to the methodology in division (B) of this section for such claims and the total amount the Director would have paid according to the methodology in paragraph (A)(6) or (C)(5) of rule 5101:3-2-07.9 of the Administrative Code, as the applicable paragraph existed on June 30, 2007, for such claims,

exceeds the sum of the state funds and corresponding federal match earmarked in division (F) of this section for the applicable fiscal year.

(D) The Director of Job and Family Services shall make supplemental Medicaid payments to hospitals for inpatient services under a program modeled after the program the Department of Job and Family Services was required to create for fiscal years 2006 and 2007 in Section 206.66.79 of Am. Sub. H.B. 66 of the 126th General Assembly if the difference between the total amount the Director has paid according to the methodology in division (B) of this section for cost outlier claims and the total amount the Director would have paid according to the methodology in paragraph (A)(6) or (C)(5) of rule 5101:3-2-07.9 of the Administrative Code for such claims, as the applicable paragraph existed on June 30, 2007, does not require the expenditure of all state and federal funds earmarked in division (F) of this section for the applicable fiscal year.

(E) The Director of Job and Family Services shall not adopt, amend, or rescind any rules that would result in decreasing the amount paid to children's hospitals under division (B) of this section for cost outlier claims.

(F) Of the foregoing appropriation item, 600-525, Health Care/Medicaid, up to \$6 million (state share) in each fiscal year plus the corresponding federal match, if available, shall be used by the Department to pay the amounts described in division (B) of this section.

SECTION 309.30.16. MEDICAID RESERVE FUND

The Medicaid Reserve Fund is hereby created in the state treasury.

Not later than July 31, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer, for fiscal year 2008, \$120,000,000 in cash from the General Revenue Fund to the Medicaid Reserve Fund.

If at any time during fiscal year 2008 the Director of Budget and Management determines that additional appropriations are needed in appropriation item 600-525, Health Care/Medicaid, to fund the Medicaid Program, the Director of Budget and Management may submit a request to the Controlling Board to transfer cash from the Medicaid Reserve Fund. The request shall state the reasons for the transfer and the additional amounts being requested. The request shall be submitted at a regularly scheduled meeting of the Controlling Board. If the Controlling Board approves the transfer, the Director of Budget and Management shall transfer the approved amount of cash from the Medicaid Reserve Fund to the General Revenue Fund and increase the state share of appropriations in appropriation item 600-525, Health Care/Medicaid, and adjust the federal share accordingly.

Any such transfers and adjustments are hereby appropriated.

At the end of fiscal year 2008, the Director of Budget and Management shall transfer from the Medicaid Reserve Fund all the cash balance in excess of any transfers approved by the Controlling Board to the credit of the General Revenue Fund. The Director of Budget and Management shall make transfers to the Budget Stabilization Fund or the Income Tax Reduction Fund in accordance with section 131.44 of the Revised Code.

Not later than July 31, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer, for fiscal year 2009, \$205,000,000 in cash from the General Revenue Fund to the Medicaid Reserve Fund.

If at any time during fiscal year 2009 the Director of Budget and Management determines that additional appropriations are needed in appropriation item 600-525, Health Care/Medicaid, to fund the Medicaid Program, the Director of Budget and Management may submit a request to the Controlling Board to transfer cash from the Medicaid Reserve Fund. The request shall state the reasons for the transfer and the additional amounts being requested. The request shall be submitted at a regularly scheduled meeting of the Controlling Board. If the Controlling Board approves the transfer, the Director of Budget and Management shall transfer the approved amount of cash from the Medicaid Reserve Fund to the General Revenue Fund and increase the state share of appropriations in appropriation item 600-525, Health Care/Medicaid, and adjust the federal share accordingly. Any such transfers and adjustments are hereby appropriated.

At the end of fiscal year 2009, the Director of Budget and Management shall transfer from the Medicaid Reserve Fund all the cash balance in excess of any transfers approved by the Controlling Board to the credit of the General Revenue Fund. The Director of Budget and Management shall make transfers to the Budget Stabilization Fund and the Income Tax Reduction Fund in accordance with section 131.44 of the Revised Code.

SECTION 309.30.18. MEDICAID PROVIDER AUDITS

Of the foregoing appropriation item 600-417, Medicaid Provider Audits, \$2,000,000 each fiscal year shall be used by the Auditor of State, in consultation with the Department of Job and Family Services, to perform audits of providers of Medicaid services as defined in section 117.10 of the Revised Code.

SECTION 309.30.20. FISCAL YEAR 2008 MEDICAID

REIMBURSEMENT SYSTEM FOR NURSING FACILITIES

(A) As used in this section:

"Franchise permit fee," "Medicaid days," "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 otherwise provided by this section, the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2007, and a valid Medicaid provider agreement during fiscal year 2008 shall be paid, for nursing facility services the nursing facility provides during fiscal year 2008, the rate calculated for the nursing facility under sections 5111.20 to 5111.33 of the Revised Code with the following adjustments:

(1) The cost per case mix-unit calculated under section 5111.231 of the Revised Code, the rate for ancillary and support costs calculated under section 5111.24 of the Revised Code, the rate for capital costs calculated under section 5111.25 of the Revised Code, and the rate for tax costs calculated under section 5111.242 of the Revised Code shall each be adjusted as follows:

(a) Increase the cost and rates so calculated by two per cent;

(b) Increase the cost and rates determined under division (B)(1)(a) of this section by two per cent;

(c) Increase the cost and rates determined under division (B)(1)(b) of this section by one per cent.

(2) The mean payment used in the calculation of the quality incentive payment made under section 5111.244 of the Revised Code shall be, weighted by Medicaid days, three dollars and three cents per Medicaid day.

(C) If the rate determined for a nursing facility under division (B) of this section for nursing facility services provided during fiscal year 2008 is more than one hundred two and seventy-five hundredths per cent of the rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2007, the Department of Job and Family Services shall reduce the nursing facility's fiscal year 2008 rate so that the rate is not more than one hundred two and seventy-five hundredths per cent of the nursing facility's rate for June 30, 2007. If the rate determined for a nursing facility under division (B) of this section for nursing facility services provided during fiscal year 2008 is less than the rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2007, the Department shall

increase the nursing facility's fiscal year 2008 rate so that the rate is not less than the nursing facility's rate for June 30, 2007.

(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 facility services 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, 2007, and a valid Medicaid provider agreement during fiscal year 2008 notwithstanding anything to the contrary in sections 5111.20 to 5111.33 of the Revised Code.

SECTION 309.30.30. FISCAL YEAR 2009 MEDICAID REIMBURSEMENT SYSTEM FOR NURSING FACILITIES

(A) As used in this section:

"Franchise permit fee," "Medicaid days," "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 otherwise provided by this section, the provider of a nursing facility that has a valid Medicaid provider agreement on June 30, 2008, and a valid Medicaid provider agreement during fiscal year 2009 shall be paid, for nursing facility services the nursing facility provides during fiscal year 2009, the rate calculated for the nursing facility under sections 5111.20 to 5111.33 of the Revised Code with the following adjustments:

(1) The cost per case mix-unit calculated under section 5111.231 of the Revised Code, the rate for ancillary and support costs calculated under section 5111.24 of the Revised Code, the rate for capital costs calculated under section 5111.25 of the Revised Code, and the rate for tax costs calculated under section 5111.242 of the Revised Code shall each be adjusted as follows:

- (a) Increase the cost and rates so calculated by two per cent;
- (b) Increase the cost and rates determined under division (B)(1)(a) of this section by two per cent;
- (c) Increase the cost and rates determined under division (B)(1)(b) of

this section by one per cent.

(2) The mean payment used in the calculation of the quality incentive payment made under section 5111.244 of the Revised Code shall be, weighted by Medicaid days, three dollars and three cents per Medicaid day.

(C) If the rate determined for a nursing facility under division (B) of this section for nursing facility services provided during fiscal year 2009 is more than one hundred two and seventy-five hundredths per cent of the rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2008, the Department of Job and Family Services shall reduce the nursing facility's fiscal year 2009 rate so that the rate is not more than one hundred two and seventy-five hundredths per cent of the nursing facility's rate for June 30, 2008. If the rate determined for a nursing facility under division (B) of this section for nursing facility services provided during fiscal year 2009 is less than the rate the provider is paid for nursing facility services the nursing facility provides on June 30, 2008, the Department shall increase the nursing facility's fiscal year 2009 rate so that the rate is not less than the nursing facility's rate for June 30, 2008.

(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 facility services 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, 2008, and a valid Medicaid provider agreement during fiscal year 2009 notwithstanding anything to the contrary in sections 5111.20 to 5111.33 of the Revised Code.

SECTION 309.30.40. FISCAL YEARS 2008 AND 2009 MEDICAID REIMBURSEMENT SYSTEM FOR ICFs/MR

(A) As used in this section:

"Intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

"Medicaid days" means all days during which a resident who is a Medicaid recipient occupies a bed in an intermediate care facility for the mentally retarded that is included in the facility's Medicaid-certified capacity. 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 intermediate care facility for the

mentally retarded's per resident per day rate paid for those days.

"Per diem rate" means the per diem rate calculated pursuant to sections 5111.20 to 5111.33 of the Revised Code.

(B) Notwithstanding sections 5111.20 to 5111.33 of the Revised Code, rates paid to intermediate care facilities for the mentally retarded under the Medicaid program shall be subject to the following limitations:

(1) For fiscal year 2008, the mean total per diem rate for all intermediate care facilities for the mentally retarded in the state, weighted by May 2007 Medicaid days and calculated as of July 1, 2007, shall not exceed \$266.14.

(2) For fiscal year 2009, the mean total per diem rate for all intermediate care facilities for the mentally retarded in the state, weighted by May 2008 Medicaid days and calculated as of July 1, 2008, shall not exceed \$271.46.

(3) If the mean total per diem rate for all intermediate care facilities for the mentally retarded in the state for fiscal year 2008 or 2009, weighted by Medicaid days as specified in division (B)(1) or (2) of this section, as appropriate, and calculated as of the first day of July of the calendar year in which the fiscal year begins, exceeds the amount specified in division (B)(1) or (2) of this section, as applicable, the Department of Job and Family Services shall reduce the total per diem rate for each intermediate care facility for the mentally retarded in the state by a percentage that is equal to the percentage by which the mean total per diem rate exceeds the amount specified in division (B)(1) or (2) of this section for that fiscal year.

(4) Subsequent to any reduction required by division (B)(3) of this section, the rate of an intermediate care facility for the mentally retarded shall not be subject to any adjustments authorized by sections 5111.20 to 5111.33 of the Revised Code during the remainder of the year.

SECTION 309.30.41. ADDITIONAL COMPENSATION FOR NURSING FACILITY CAPITAL COSTS

The foregoing appropriation item 600-529, Capital Compensation Program, shall be used to make payments to nursing facilities under the section of this act entitled "FISCAL YEARS 2008 AND 2009 PAYMENTS TO CERTAIN NURSING FACILITIES."

The unencumbered balance of appropriation item 600-529, Capital Compensation Program, at the end of fiscal year 2008 is hereby appropriated to fiscal year 2009 for use under the same appropriation item.

SECTION 309.30.42. FISCAL YEARS 2008 AND 2009 PAYMENTS TO CERTAIN NURSING FACILITIES

(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.

"Inpatient days," "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, 2007, or 2008:

(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) 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, 2008, completed 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 ninety days after the later of March 30, 2006, or the date the capital project is completed.

(3) A nursing facility that, before June 30, 2008, completed 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 ninety days after the later of March 30, 2006, or the date the activity is completed.

(4) A nursing facility that, before June 30, 2008, completed 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 nursing 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 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 ninety days after the later of March 30, 2006, 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 2008, the nursing facility's per diem payments under this section for fiscal year 2008 shall equal the difference between the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate determined under Section 309.30.20

of 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 2009, the nursing facility's per diem payments under this section for fiscal year 2009 shall equal the difference between the capital costs portion of the nursing facility's Medicaid reimbursement per diem rate determined under Section 309.30.30 of 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) The per diem payments paid for fiscal year 2008 to a nursing facility that qualifies for the payments pursuant to division (B)(2) or (3) 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 309.30.20 of 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.

(F) The per diem payments paid for fiscal year 2009 to a nursing facility

that qualifies for the payments pursuant to division (B)(2) or (3) 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 309.30.30 of 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 to a nursing facility that qualifies for the payments pursuant to division (B)(4) 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.

(H) All of the following apply to the per diem payments made under this section:

(1) All nursing facilities' eligibility for the payments shall cease at the earlier of the following:

(a) July 1, 2009;

(b) The date that the total amount of the payments equals seven million dollars.

(2) The payments made for the last quarter that the payments are made may be reduced proportionately as necessary to avoid spending more than seven million dollars under this section.

(3) The per diem payments shall be made for quarterly periods by multiplying the per diem determined for a nursing facility by the number of Medicaid days the nursing facility has for the quarter the payment is made.

(4) Any per diem payments to be made to a nursing facility for a quarter ending before July 2008 shall be made not later than September 30, 2008.

(5) Any per diem payments to be made to a nursing facility for a quarter beginning after June 2008 shall be made not later than three months after the last day of the quarter for which the payments are made.

(6) A change of operator shall not cause the payments to a nursing

facility to cease.

(7) The payments shall only be made to a nursing facility for the quarters during fiscal years 2008 and 2009 for which the nursing facility has a valid Medicaid provider agreement.

(8) The payments shall be in addition to a nursing facility's Medicaid reimbursement per diem rate calculated under Section 309.30.20 or 309.30.30 of this act.

(I) The Director of Job and Family Services shall monitor, on a quarterly basis, the per diem payments made to nursing facilities under this section to ensure that not more than a total of seven million dollars is spent under this section.

(J) 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.

(K) 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 309.30.45. INCREASE IN MEDICAID RATES FOR PASSPORT AND CHOICES SERVICES

(A) As used in this section:

"Choices program" means the home and community-based services Medicaid waiver component, as defined in section 5111.851 of the Revised Code, that is known as the Choices program and administered by the Department of Aging.

"PASSPORT program" means the program created under section 173.40 of the Revised Code.

(B) The Director of Job and Family Services shall amend the rules adopted under section 5111.85 of the Revised Code as necessary to accomplish the following:

(1) Increase, for fiscal year 2008, the Medicaid reimbursement rates for services provided under the PASSPORT program and services provided under the choices program to rates that result in an amount that is three per cent higher than the amount resulting from the rates in effect June 30, 2007.

(2) Increase, for fiscal year 2009, the Medicaid reimbursement rates for services provided under the PASSPORT program and services provided under the choices program to rates that result in an amount that is three per cent higher than the amount resulting from the rates in effect June 30, 2008.

SECTION 309.30.50. HOME FIRST PROGRAM

(A) On a quarterly basis, on receipt of the certified expenditures related to section 173.401 of the Revised Code, the Director of Budget and Management shall do all of the following for fiscal years 2008 and 2009:

(1) Transfer the state share of the amount of the actual expenditures from GRF appropriation item 600-525, Health Care/Medicaid, to GRF appropriation item 490-403, PASSPORT;

(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 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 actual expenditures.

The funds that the Director of Budget and Management transfers and increases under this division are hereby appropriated.

(B) 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 2008 and 2009 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.

SECTION 309.30.53. RESIDENTIAL STATE SUPPLEMENT TRANSFER

On a quarterly basis, on receipt of the certified residential state supplement costs related to section 173.351 of the Revised Code, the Director of Budget and Management shall do the following:

(A) Transfer the state share of the amount of the estimated costs from GRF appropriation item 600-525, Health Care/Medicaid, to GRF appropriation item 490-412, Residential State Supplement;

(B) The Department of Aging may transfer cash by intrastate transfer vouchers from the foregoing appropriation item 490-412, Residential State Supplement, and 490-610, PASSPORT/Residential State Supplement, to the Department of Job and Family Services Fund 4J5, Home and Community-Based Services for the Aged Fund. The funds shall be used to

make benefit payments to Residential State Supplement recipients.

The funds that the Director of Budget and Management transfers and increases under this division are hereby appropriated.

SECTION 309.30.60. MEDICAID COVERAGE OF CHIROPRACTIC SERVICES

(A) As used in this section, "adult Medicaid recipient" means a Medicaid recipient twenty-two years of age or older.

(B) For the period beginning January 1, 2008, and ending June 30, 2009, and subject to division (C) of this section, the Medicaid Program shall cover chiropractic services for adult Medicaid recipients in an amount, duration, and scope specified in rules that the Director of Job and Family Services shall adopt under section 5111.02 of the Revised Code.

(C) The Medicaid Program's coverage of chiropractic services under this section shall be limited to fifteen visits per adult Medicaid recipient per fiscal year.

SECTION 309.30.70. MONEY FOLLOWS THE PERSON

(A) Subject to division (B) of this section, the Director of Budget and Management may do any of the following in support of any home and community-based services waiver program:

(1) Create new funds and account appropriation items to support and track funds associated with a unified long-term care budget;

(2) Transfer funds among affected agencies and adjust corresponding appropriation levels;

(3) Develop a reporting mechanism to show clearly how the funds are being transferred and expended.

(B) Before an action may be taken under division (A) of this section, the Director shall present the proposed action to the Controlling Board. The Controlling Board shall review the proposed action and either approve or disapprove the action. The Director shall not implement the proposed action unless the action is approved by the Controlling Board.

SECTION 309.30.90. MEDICAID ELIGIBILITY FOR PREGNANT WOMEN

The Director of Job and Family Services shall, not later than ninety days after the effective date of this section, submit to the United States Secretary of Health and Human Services an amendment to the state Medicaid plan to

increase to two hundred per cent of the federal poverty guidelines the income limit specified in division (A)(2) of section 5111.014 of the Revised Code. The increase shall be implemented not earlier than January 1, 2008.

* SECTION 309.30.95. MEDICAID BUY-IN ADVISORY COUNCIL

The Director of Job and Family Services shall call the Medicaid Buy-In Advisory Council established under section 5111.708 of the Revised Code to meet for the first time not later than sixty days after the effective date of this section.

SECTION 309.31.10. MEDICARE PART D

The foregoing appropriation item 600-526, Medicare Part D, may be used by the Department of Job and Family Services for the implementation and operation of the Medicare Part D requirements contained in the "Medicare Prescription Drug, Improvement, and Modernization Act of 2003," Pub. L. No. 108-173, as amended. Upon the request of the Department of Job and Family Services, the Director of Budget and Management may increase the state share of appropriations in either appropriation item 600-525, Health Care/Medicaid, or appropriation item 600-526, Medicare Part D, with a corresponding decrease in the state share of the other appropriation item to allow the Department of Job and Family Services to implement and operate the new Medicare Part D requirements. If the state share of appropriation item 600-525, Health Care/Medicaid, is adjusted, the Director of Budget and Management shall adjust the federal share accordingly.

SECTION 309.31.13. INCREASE IN FISCAL YEAR 2008 DISPENSING FEE FOR MULTIPLE SOURCE DRUGS

(A) As used in this section, "multiple source drug" has the same meaning as in 42 U.S.C. 1396r-8(k)(7).

(B) Not later than thirty days after the effective date of the regulation that the United States Secretary of Health and Human Services must promulgate under Section 6001(c)(3) of the "Deficit Reduction Act of 2005," Pub. L. No. 109-171, the Director of Job and Family Services shall analyze the fiscal impact that the federal upper reimbursement limits established under 42 U.S.C. 1396r-8(e)(4), as amended by section 6001 of the "Deficit Reduction Act of 2005," will have on pharmacists in fiscal year 2008. The fiscal impact analysis shall include a projection of the revenue a

pharmacist is expected to lose during fiscal year 2008 from each unit of multiple source drug dispensed to a Medicaid recipient.

(C) Notwithstanding section 5111.071 of the Revised Code, and subject to division (D) of this section, the Director shall, not later than ten days after completing the analysis required by division (B) of this section, increase the dispensing fee to be paid to pharmacists with a valid Medicaid provider agreement for dispensing a multiple source drug to a Medicaid recipient in fiscal year 2008. The amount of the increase shall be determined in a manner that compensates pharmacists for the loss of revenue the Director projects, under division (B) of this section, that pharmacists, on average, will incur during fiscal year 2008.

(D) The total amount the Director expends under division (C) of this section to pay the increase in the dispensing fee in fiscal year 2008 shall not exceed the total savings that the Medicaid program is projected to save in that year as a result of the changes to the federal upper reimbursement limits established in 42 U.S.C. 1396r-8(e)(4) that were enacted by section 6001 of the "Deficit Reduction Act of 2005."

SECTION 309.31.16. INCREASE IN FISCAL YEAR 2009 DISPENSING FEE FOR MULTIPLE SOURCE DRUGS

(A) As used in this section, "multiple source drug" has the same meaning as in 42 U.S.C. 1396r-8(k)(7).

(B) Not later than March 15, 2008, the Director of Job and Family Services shall analyze the fiscal impact that the federal upper reimbursement limits established under 42 U.S.C. 1396r-8(e)(4), as amended by section 6001 of the "Deficit Reduction Act of 2005," Pub. L. No. 109-171, will have on pharmacists in fiscal year 2009. The fiscal impact analysis shall include a projection of the revenue a pharmacist is expected to lose during fiscal year 2009 from each unit of multiple source drug dispensed to a Medicaid recipient.

(C) Notwithstanding section 5111.071 of the Revised Code and subject to division (D) of this section, the Director shall, not later than ten days after completing the analysis required under division (B) of this section, increase the dispensing fee to be paid to pharmacists with a valid Medicaid provider agreement for dispensing a multiple source drug to a Medicaid recipient in fiscal year 2009. The amount of the increase shall be determined in a manner that compensates pharmacists for the loss of revenue the Director projects, under division (B) of this section, that pharmacists, on average, will incur during fiscal year 2009.

(D) The total amount the Director expends under division (C) of this

section to pay the increase in the dispensing fee in fiscal year 2009 shall not exceed the total savings that the Medicaid program is projected to save in that fiscal year as a result of the changes to the federal upper reimbursement limits established in 42 U.S.C. 1396r-8(e)(4) that were enacted by section 6001 of the "Deficit Reduction Act of 2005."

SECTION 309.31.20. RESIDENT PROTECTION FUND

If the Director of Budget and Management determines that the Resident Protection Fund created in section 5111.62 of the Revised Code has a cash balance, less encumbrances and appropriations, of more than \$2,000,000, the Department of Job and Family Services or its designee may issue a competitive request for grant proposals to support projects that will benefit the residents of nursing facilities that have been found to have deficiencies. The directors of Job and Family Services, Health, and Aging or their designees shall determine priority categories for funding, make awards, and determine which of the three agencies should administer each grant. Based on these determinations, the Director of Budget and Management may transfer cash and appropriations matching the amount of each award to the appropriate agency. Any such transfers are hereby appropriated.

SECTION 309.31.30. 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 nursing facilities and intermediate care facilities for the mentally retarded; and (B) up to \$350,000 in each fiscal year to provide one-time transitional benefits under the Ohio Access Success Project that the Director of Job and Family Services may establish under section 5111.97 of the Revised Code.

SECTION 309.31.40. TRANSFER OF FUNDS TO THE DEPARTMENT OF AGING

The Department of Job and Family Services shall transfer, through intrastate transfer vouchers, cash from Fund 4J5, Home and Community-Based Services for the Aged, to Fund 4J4, PASSPORT, in the Department of Aging. The sum of the transfers shall be \$33,263,984 in each

fiscal year. The transfer may occur on a quarterly basis or on a schedule developed and agreed to by both departments.

SECTION 309.31.50. PROVIDER FRANCHISE FEE OFFSETS

(A) At least quarterly, the Director of Job and Family Services shall certify to the Director of Budget and Management both of the following:

(1) The amount of offsets withheld under section 3721.541 of the Revised Code from payments made from the General Revenue Fund.

(2) The amount of offsets withheld under section 5112.341 of the Revised Code from payments made from the General Revenue Fund.

(B) The Director of Budget and Management may transfer cash from the General Revenue Fund to all of the following:

(1) Fund 4J5, Home and Community Based Services/Aged Fund, or Fund 5R2, Nursing Facility Stabilization Fund, in accordance with sections 3721.56 and 3721.561 of the Revised Code;

(2) Fund 4K1, ICF/MR Bed Assessments.

(C) Amounts transferred pursuant to this section are hereby appropriated.

SECTION 309.31.60. TRANSFER OF FUNDS TO THE DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

The Department of Job and Family Services shall transfer, through intrastate transfer vouchers, cash from Fund 4K1, ICF/MR Bed Assessments, to Fund 4K8, Home and Community-Based Services, in the Department of Mental Retardation and Developmental Disabilities. The amount transferred shall equal \$12,000,000 in each fiscal year. The transfer may occur on a quarterly basis or on a schedule developed and agreed to by both departments.

SECTION 309.31.70. FUNDING FOR TRANSITION WAIVER SERVICES

Notwithstanding any limitations contained in sections 5112.31 and 5112.37 of the Revised Code, in each fiscal year, cash from Fund 4K1, ICF/MR Bed Assessments, in excess of the amounts needed for transfers to Fund 4K8, Home and Community-Based Services, in the Department of Mental Retardation and Developmental Disabilities, may be used by the Department of Job and Family Services to cover costs of care provided to

participants in a waiver with an ICF/MR level of care requirement administered by the Department of Job and Family Services.

SECTION 309.31.80. PAYMENTS FROM THE DEPARTMENT OF EDUCATION FOR MEDICAID SERVICES

At the request of the Director of Job and Family Services, the Director of Budget and Management may increase the appropriation in appropriation item 600-639, Medicaid Revenue and Collections, by the amounts paid to the department pursuant to section 3317.023 of the Revised Code.

SECTION 309.31.90. HOSPITAL CARE ASSURANCE MATCH

Appropriation item 600-650, Hospital Care Assurance Match, shall be used by the Department of Job and Family Services solely for distributing funds to hospitals under section 5112.08 of the Revised Code.

SECTION 309.32.10. HEALTH CARE SERVICES ADMINISTRATION FUND

Of the amount received by the Department of Job and Family Services during fiscal year 2008 and fiscal year 2009 from the first installment of assessments paid under section 5112.06 of the Revised Code and intergovernmental transfers made under section 5112.07 of the Revised Code, the Director of Job and Family Services shall deposit \$350,000 in each fiscal year into the state treasury to the credit of the Health Care Services Administration Fund (Fund 5U3).

SECTION 309.32.20. MEDICAID PROGRAM SUPPORT FUND - STATE

The foregoing appropriation item 600-671, Medicaid Program Support, shall be used by the Department of Job and Family Services to pay for Medicaid services and contracts. The Department may also deposit to Fund 5C9 revenues received from other state agencies for Medicaid services under the terms of interagency agreements between the Department and other state agencies, and all funds the Department recovers because the benefits a person received under the disability medical assistance program established in section 5115.10 of the Revised Code were determined to be covered by the Medicaid Program established under Chapter 5111. of the Revised Code.

SECTION 309.32.30. TRANSFERS OF IMD/DSH CASH TO THE DEPARTMENT OF MENTAL HEALTH

The Department of Job and Family Services shall transfer, through intrastate transfer voucher, cash from Fund 5C9, Medicaid Program Support, to the Department of Mental Health's Fund 4X5, OhioCare, in accordance with an interagency agreement that delegates authority from the Department of Job and Family Services to the Department of Mental Health to administer specified Medicaid services.

SECTION 309.32.40. PRESCRIPTION DRUG REBATE FUND

The foregoing appropriation item 600-692, Health Care Services, shall be used by the Department of Job and Family Services to pay for Medicaid services and contracts.

SECTION 309.32.50. DISABILITY DETERMINATION PROCESS

Based on the recommendations made by the Disability Determination Consolidation Study Council, the Rehabilitation Services Commission and the Department of Job and Family Services shall work together to reduce the duplication of activities performed by each agency and develop a systems interface so that medical information for mutual clients may be transferred between the agencies.

SECTION 309.32.60. PRIMARY CARE ALTERNATIVE TREATMENT PROGRAM

The Director of Job and Family Services, not later than January 1, 2008, shall submit a report to the General Assembly on the Primary Alternative Care Treatment Program. The report shall compare the average monthly medical costs of current participants in the program with the average monthly costs of those individuals prior to participation in the program. Not later than January 1, 2009, the Director shall submit an additional report on the total cost savings achieved through the program.

SECTION 309.32.70. PHARMACEUTICAL REPORT

The Director of Job and Family Services, not later than one year after the effective date of this section, shall submit a report to the General Assembly on the effect of Medicare Part D and the care management system

established under section 5111.16 of the Revised Code on the Supplemental Drug Rebate Program established under section 5111.081 of the Revised Code. The report shall evaluate the changing cost of pharmaceuticals for which supplemental rebates are made under the Supplemental Drug Rebate Program as a result of the high volume of drug purchases being transferred to Medicare Part D. The report shall include a review of the use of generic drugs by Medicaid recipients and cost savings to be achieved by increasing the use of generic drugs.

SECTION 309.40. FAMILY STABILITY

SECTION 309.40.10. WAIVER OF FOOD STAMP WORK REQUIREMENTS

Pursuant to 7 U.S.C. 2015(o)(4)(A)(i), the Department of Job and Family Services shall request that the United States Secretary of Agriculture waive the applicability of the work requirement of 7 U.S.C. 2015(o)(2) during fiscal years 2008 and 2009 to food stamp benefit recipients who reside in a county of this state that the Department determines has an unemployment rate of over 10 per cent or does not have a sufficient number of jobs to provide employment for the recipients.

SECTION 309.40.20. FOOD STAMPS TRANSFER

On July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management may transfer up to \$1,000,000 in cash from Fund 384, Food Stamp Program, to Fund 5ES, Food Assistance.

SECTION 309.40.30. OHIO ASSOCIATION OF SECOND HARVEST FOOD BANKS

As used in this section, "federal poverty guidelines" has the same meaning as in section 5101.46 of the Revised Code.

Notwithstanding section 5101.46 of the Revised Code, the Department of Job and Family Services shall provide \$5,500,000 in each fiscal year from the foregoing appropriation item 600-651, Second Harvest Food Banks, and \$1,000,000 in each fiscal year from the foregoing appropriation item 600-659, TANF/Title XX Transfer (Fund 3W3), to the Ohio Association of Second Harvest Food Banks. The Department shall enter into a grant agreement with the Ohio Association of Second Harvest Food Banks to allow for the purchase of food and personal care products and the

distribution of those products to agencies participating in the emergency food distribution program. Notwithstanding section 5101.46 of the Revised Code, the grant may permit the Ohio Association of Second Harvest Food Banks to use up to 5 per cent of the annual funding for administrative costs. As soon as possible after entering into a grant agreement at the beginning of each fiscal year, the Department may advance grant funds to the grantee under section 5101.10 of the Revised Code and in accordance with federal law.

Prior to entering into the grant agreement, the Ohio Association of Second Harvest Food Banks shall submit to the Department for approval a plan for the distribution of the food and personal care products to local food distribution agencies. If the plan meets the requirements and conditions established by the Department, the plan shall be incorporated into the grant agreement. The grant agreement shall also require the Ohio Association of Second Harvest Food Banks to ensure that local agencies will limit participation of individuals and families who receive any of the food and personal care products purchased with these funds to those who have an income at or below 200 per cent of the federal poverty guidelines. The Department and the Ohio Association of Second Harvest Food Banks shall agree on reporting requirements to be incorporated into the grant agreement, including a statement of expected performance outcomes from the Ohio Association of Second Harvest Food Banks and a requirement for their evaluation of their success in achieving those outcomes.

SECTION 309.40.33. CHILD SUPPORT COLLECTIONS/TANF MOE

The foregoing appropriation item 600-658, Child Support Collections, shall be used by the Department of Job and Family Services to meet the TANF maintenance of effort requirements of 42 U.S.C. 609(a)(7). When the state is assured that it will meet the maintenance of effort requirement, the Department of Job and Family Services may use funds from appropriation item 600-658, Child Support Collections, to support child support activities.

SECTION 309.40.40. TANF INITIATIVES

The Department of Job and Family Services, in accordance with sections 5101.80 and 5101.801 of the Revised Code, shall take the steps necessary, through interagency agreement, adoption of rules, or otherwise as determined by the Department, to implement and administer the Title IV-A programs identified in this section.

KINSHIP PERMANENCY INCENTIVE PROGRAM

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$10 million per fiscal year shall be used to support the activities of the Kinship Permanency Incentive Program created under section 5101.802 of the Revised Code.

The Department of Job and Family Services shall prepare reports concerning both of the following:

(A) Stability and permanency outcomes for children for whom incentive payments are made under the Kinship Permanency Incentive Program;

(B) The total amount of payments made under the Program, patterns of expenditures made per child under the Program, and cost savings realized through the Program from placement with kinship caregivers rather than other out-of-home placements.

The Department shall submit a report to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate not later than December 31, 2008, and December 31, 2010.

OHIO ALLIANCE OF BOYS AND GIRLS CLUBS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$2,000,000 in each fiscal year shall be used to reimburse the Ohio Alliance of Boys and Girls Clubs pursuant to section 5101.801 of the Revised Code to provide after-school programs that protect at-risk children and enable youth to become responsible adults. The Ohio Alliance of Boys and Girls Clubs shall provide nutritional meals, snacks, and educational, youth development, and career development services to TANF eligible children participating in programs and activities operated by eligible Boys and Girls Clubs.

The Department of Job and Family Services and the Ohio Alliance of Boys and Girls Clubs shall agree on reporting requirements to be incorporated into the grant agreement.

SUMMER AND AFTER-SCHOOL PROGRAMS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$10,000,000 in each fiscal year shall be used for summer and after-school programs and services for TANF eligible youth served through community-based organizations, faith-based organizations, and schools pursuant to section 5101.801 of the Revised Code to provide academic support not available during the regular school day, nutrition, transportation, youth development activities, drug and violence prevention programs, counseling programs, technology education, and character education programs. Any moneys from the federal TANF Block Grant used for this purpose shall be provided on a reimbursement basis.

CHILDREN'S HUNGER ALLIANCE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$1,000,000 in each fiscal year shall be reimbursed to the Children's Hunger Alliance pursuant to section 5101.801 of the Revised Code for Child Nutrition Program outreach efforts.

SCHOOL READINESS ENRICHMENT

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$6,500,000 in each fiscal year shall be used for TANF eligible activities pursuant to section 5101.801 of the Revised Code to provide intervention services to prepare children for kindergarten. Any moneys from the federal TANF Block Grant used for this purpose shall be provided on a reimbursement basis.

FOOD BANKS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$1,500,000 in each fiscal year shall be used to reimburse the Ohio network of food banks pursuant to section 5101.801 of the Revised Code for purchases and distribution of food products.

GOVERNOR'S OFFICE OF FAITH-BASED AND COMMUNITY INITIATIVES

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$13,000,000 in each fiscal year shall be used to reimburse the Governor's Office for Faith-Based and Community Initiatives pursuant to section 5101.801 of the Revised Code for projects designed to serve the state's most vulnerable citizens.

ADOPTION PROMOTION

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$5,000,000 in each fiscal year shall be used for TANF eligible activities pursuant to section 5101.801 of the Revised Code to provide additional support for initiatives aimed at increasing the number of adoptions including recruiting, promoting, and supporting adoptive families.

INDEPENDENT LIVING INITIATIVES

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$2,500,000 in each fiscal year shall be used for TANF eligible activities pursuant to section 5101.801 of the Revised Code to support the independent living initiative, including life skills training and work supports for older children in foster care and those who have recently aged out of foster care.

CLOSING THE ACHIEVEMENT GAP

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$10,000,000 in each fiscal year shall be used for TANF eligible

activities pursuant to section 5101.801 of the Revised Code to provide intervention services aimed at improving the African-American male graduation rate. Any moneys from the federal TANF Block Grant used for this purpose shall be provided on a reimbursement basis.

FREESTORE FOODBANK - BARIS PROGRAM

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$800,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Freestore Foodbank for continuation of the Benefits Acquisition Results in Self Sufficiency (BARIS) project. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

FAMILY SERVICE OF THE CINCINNATI AREA

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$50,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, Family Service of the Cincinnati Area for the International Family Resource Center program. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

PARENT MENTORS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$250,000 in fiscal year 2008 shall be used to reimburse the Department of Education pursuant to section 5101.801 of the Revised Code for providing funding for an additional ten parent mentors. This additional support for parent mentors shall be aimed at increasing support for parents with children who have special needs, thereby reducing stress on the family and encouraging the maintenance of two parent families. Such funding shall be in addition to that which is provided for parent mentoring programs in GRF appropriation item 200-540, Special Education Enhancements, in the Department of Education.

ACCOUNTABILITY AND CREDIBILITY TOGETHER

Of the foregoing appropriation item 600-689, TANF Block Grant, up to \$2,000,000 in fiscal year 2008 shall be reimbursed to Accountability and Credibility Together (ACT) to continue its welfare diversion program to TANF eligible individuals pursuant to section 5101.801 of the Revised Code. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for

reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

AMERICAN ACADEMY OF PEDIATRICS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$200,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the American Academy of Pediatrics for the Reach Out and Read program. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

HOME WEATHERIZATION

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$500,000 in each fiscal year shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Corporation for Ohio Appalachian Development for home weatherization.

PROVIDENCE HOUSE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$100,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Providence House for providing crisis intervention services for children who are at risk of abuse and neglect.

BUTLER COUNTY SUCCESS PLAN

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$100,000 in fiscal year 2008 shall be used to provide reimbursement, in accordance with section 5101.801 of the Revised Code, for the Butler County Success Plan.

AMERICAN RED CROSS-GREATER CLEVELAND CHAPTER AND THE BEREA CHILDREN'S HOME AND FAMILY SERVICES

Of the foregoing appropriation item 600-689, TANF Block Grant, up to \$2,063,000 in fiscal year 2008 shall be used to reimburse the American Red Cross-Greater Cleveland Chapter and the Berea Children's Home and Family Services in accordance with section 5101.801 of the Revised Code, for enrolling TANF eligible individuals in the Northeast Ohio Nurse Assistant Training Program, which will lead to employment opportunities in the healthcare field in a ten-county region. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

CENTER FOR FAMILIES AND CHILDREN RAPART YOUTH FELLOWSHIP PROGRAM

Of the foregoing appropriation item 600-689, TANF Block Grant, up to \$492,256 in fiscal year 2008 shall be used to reimburse the Center for Families and Children RapArt Youth Fellowship Program in accordance with section 5101.801 of the Revised Code for providing an after-school program that supports at-risk young adults and enables youth to become responsible adults. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

TALBERT HOUSE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$200,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Talbert House for providing TANF eligible non-medical behavioral health services. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

TANF EDUCATIONAL AWARDS PROGRAM

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$2,000,000 in each fiscal year shall be used to reimburse the Ohio Board of Regents pursuant to section 5101.801 of the Revised Code for initiatives addressing postsecondary tuition and educational expenses not covered by other grant programs that target low-income students.

CHABAD HOUSE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$250,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Chabad House for the Friendship Circle program. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

COURT CLINIC FORENSIC SERVICES

Of the foregoing appropriation 600-689, TANF Block Grant (Fund 3V6), up to \$200,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, Court Clinic Forensic Services for establishment of an intense program of education, job training, and job placement to divert women from local jails and state prisons and to reduce recidivism. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009.

The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

BIG BROTHERS BIG SISTERS

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$1,000,000 in fiscal year 2008 shall be used to reimburse Big Brothers Big Sisters of Central Ohio, in accordance with section 5101.801 of the Revised Code, for child mentoring services. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

WECO HOME PROGRAM

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$2,000,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, WECO Fund, Inc., for an individual development account program that helps participants purchase homes. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

ECONOMIC AND COMMUNITY DEVELOPMENT INSTITUTE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$650,000 in each fiscal year shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Economic and Community Development Institute for matching funds provided to TANF eligible individuals through an individual development accounts program.

EARLY CHILDHOOD EDUCATION PILOT

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$50,000 in each fiscal year shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, the Alliance Early Childhood Education Pilot Project.

OHIO COUNCIL OF URBAN LEAGUES

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$1,000,000 in fiscal year 2008 shall be used to reimburse the Ohio Council of Urban Leagues, in accordance with section 5101.801 of the Revised Code, for career development programs that provide opportunities for eligible individuals to develop a career path in a desired employment area. Any amount of this earmark that remains unspent at the end of fiscal year 2008 may be transferred to fiscal year 2009. The opportunity for reimbursement for the purposes for which this earmark is intended shall expire June 30, 2009.

A CULTURAL EXCHANGE

Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$200,000 in fiscal year 2008 shall be used to reimburse, in accordance with section 5101.801 of the Revised Code, A Cultural Exchange for continuation of the TANF demonstration project, Bank on Book: Investing in our Families.

HOME ENERGY ASSISTANCE PROGRAM

The Department of Job and Family Services shall transfer, through intrastate transfer voucher, \$45,000,000 in cash in fiscal year 2008 and \$15,000,000 in fiscal year 2009 from Fund 3V6, TANF Block Grant, to Fund 3BJ, TANF Heating Assistance, in the Department of Development, in accordance with an interagency agreement. The Departments of Job and Family Services and Development shall enter into an interagency agreement for providing reimbursement to the Department of Development to administer the Title IV-A funded Home Energy Assistance Program (HEAP), which provides assistance with home energy fuel costs to needy families with children.

If the Department of Development receives approval for a federal waiver to increase the percentage of the Home Energy Block Grant that may be used for weatherization to sixteen and one-half per cent in fiscal year 2008 and seventeen and one-half per cent in fiscal year 2009, the Department of Job and Family Services shall increase the amount of reimbursement to the Department of Development from Fund 3V6, TANF Block Grant, for the Title IV-A funded Home Energy Assistance Program by an amount equal to the additional amounts used for weatherization under the federal waiver.

The directors of Job and Family Services and Development shall seek Controlling Board approval to adjust the appropriations for appropriation item 600-689, TANF Block Grant, in the Department of Job and Family Services and appropriation item 195-685, TANF Heating Assistance, in the Department of Development, as needed to carry out the purposes described in the preceding paragraph.

SECTION 309.40.49. OHIO WORKS FIRST DOMESTIC VIOLENCE RULES

The Director of Job and Family Services shall adopt the initial rules under divisions (A)(14), (15), and (16) of section 5107.05 of the Revised Code not later than January 1, 2008.

SECTION 309.40.60. EARLY LEARNING INITIATIVE

(A) As used in this section:

(1) "Title IV-A services" means benefits and services that are allowable under Title IV-A of the "Social Security Act," as specified in 42 U.S.C. 604(a), except that they shall not be benefits and services included in the term "assistance" as defined in 45 C.F.R. 260.31(a) and shall be benefits and services that are excluded from the definition of the term "assistance" under 45 C.F.R. 260.31(b).

(2) "Title IV-A funds" means funds provided under the temporary assistance for needy families block grant established by Title IV-A of the "Social Security Act," 110 Stat. 2113 (1996), 42 U.S.C. 601, as amended.

(3) "Eligible child" means a child who is at least three years of age but not of compulsory school age or enrolled in kindergarten, is eligible for Title IV-A services, and whose family income at the time of application does not exceed one hundred eighty-five per cent of the federal poverty line in fiscal year 2008 or two hundred per cent of the federal poverty line in fiscal year 2009.

(4) "Early learning program" means a program for eligible children that is funded with Title IV-A funds and provides Title IV-A services, according to the purposes listed in 45 C.F.R. 260.20(c), that are early learning services, as defined by pursuant to division (D)(1) of this section.

(5) "Early learning provider" means an entity that is receiving Title IV-A funds to operate an early learning program.

(6) "Early learning agency" means an early learning provider or an entity that has entered into an agreement with an early learning provider requiring the early learning provider to operate an early learning program on behalf of the entity.

(7) "Federal poverty line" has the same meaning as in section 5104.01 of the Revised Code.

(8) "Of compulsory school age" has the same meaning as in section 3321.01 of the Revised Code.

(B) The Early Learning Initiative is hereby established. The Department of Education and the Department of Job and Family Services shall administer the Initiative in accordance with sections 5101.80 and 5101.801 of the Revised Code. The Initiative shall provide early learning services to eligible children. Early learning programs may provide early learning services on a full-day basis, a part-day basis, or both a full-day and part-day basis.

(C) The Department of Job and Family Services shall do both of the

following:

(1) Reimburse early learning agencies for Title IV-A services provided to eligible children according to the terms of the contract and the rules adopted under division (C)(2) of this section;

(2) In consultation with the Department of Education, adopt rules in accordance with Chapter 119. of the Revised Code to implement the Early Learning Initiative. The rules shall include all of the following:

(a) Provisions regarding the establishment of co-payments for families of eligible children whose family income is more than one hundred sixty-five per cent of the federal poverty line but equal to or less than the maximum amount of family income authorized for an eligible child as defined in division (A)(3) of this section;

(b) An exemption from co-payment requirements for families whose family income is equal to or less than one hundred sixty-five per cent of the federal poverty line;

(c) A definition of "enrollment" for the purpose of compensating early learning agencies;

(d) Provisions that establish compensation rates for early learning agencies based on the enrollment of eligible children.

(D) The Department of Education shall do all of the following:

(1) Define the early learning services that will be provided to eligible children through the Early Learning Initiative;

(2) In consultation with the Department of Job and Family Services, develop an application form and criteria for the selection of early learning agencies. The criteria shall require an early learning agency, or each early learning provider with which the agency has entered into an agreement for the operation of an early learning program on the agency's behalf, to be licensed or certified by the Department of Education under sections 3301.52 to 3301.59 of the Revised Code or by the Department of Job and Family Services under Chapter 5104. of the Revised Code;

(3) Establish early learning program guidelines for school readiness to assess the operation of early learning programs.

(E) Any entity that seeks to be an early learning agency shall apply to the Department of Education by a deadline established by the Department. The Department of Education shall select entities that meet the criteria established under division (D)(2) of this section to be early learning agencies. Upon selection of an entity to be an early learning agency, the Department of Education shall designate the number of eligible children the agency may enroll. The Department of Education shall notify the Department of Job and Family Services of the number so designated.

(F) The Department of Education and the Department of Job and Family Services shall enter into a contract with each early learning agency selected under division (E) of this section. The requirements of section 127.16 of the Revised Code do not apply to contracts entered into under this section. The contract shall outline the terms and conditions applicable to the provision of Title IV-A services for eligible children and shall include at least the following:

(1) The respective duties of the early learning agency, the Department of Education, and the Department of Job and Family Services;

(2) Requirements applicable to the allowable use of and accountability for Title IV-A compensation paid under the contract;

(3) Reporting requirements, including a requirement that the early learning provider inform the Department of Education when the provider learns that a kindergarten eligible child will not be enrolled in kindergarten;

(4) The compensation schedule payable under the contract;

(5) Audit requirements;

(6) Provisions for suspending, modifying, or terminating the contract.

(G) If an early learning agency, or an early learning provider operating an early learning program on the agency's behalf, substantially fails to meet the early learning program guidelines for school readiness or exhibits substandard performance, as determined by the Department of Education, the agency shall develop and implement a corrective action plan. The Department of Education shall approve the corrective action plan prior to implementation.

(H) If an early learning agency fails to implement a corrective action plan under division (G) of this section, the Department of Education may direct the Department of Job and Family Services to either withhold funding or request that the Department of Job and Family Services suspend or terminate the contract with the agency.

(I) Each early learning program shall do all of the following:

(1) Meet teacher qualification requirements prescribed by section 3301.311 of the Revised Code;

(2) Align curriculum to the early learning content standards;

(3) Meet any assessment requirements prescribed by section 3301.0715 of the Revised Code that apply to the program;

(4) Require teachers, except teachers enrolled and working to obtain a degree pursuant to section 3301.311 of the Revised Code, to attend a minimum of twenty hours per biennium of professional development as prescribed by the Department of Education regarding the implementation of early learning program guidelines for school readiness;

(5) Document and report child progress;

(6) Meet and report compliance with the early learning program guidelines for school success;

(7) Participate in early language and literacy classroom observation evaluation studies.

(J) Each county Department of Job and Family Services shall determine eligibility for Title IV-A services for children seeking to enroll in an early learning program within fifteen days after receipt of a completed application in accordance with rules adopted under this section.

(K) The provision of early learning services in an early learning program shall not prohibit or otherwise prevent an individual from obtaining certificates for payment under division (C) of section 5104.32 of the Revised Code.

(L) Notwithstanding section 126.07 of the Revised Code:

(1) Any fiscal year 2008 contract executed prior to July 1, 2007, between the Departments of Job and Family Services and Education and an early learning agency that was not an early learning agency as of June 30, 2007, shall be deemed to be effective as of July 1, 2007, upon issuance of a state purchase order, even if the purchase order is approved at some later date.

(2) Any fiscal year 2008 contract executed between the Departments of Job and Family Services and Education and an early learning agency that had a valid contract for early learning services on June 30, 2007, shall be deemed to be effective as of July 1, 2007, upon the issuance of a state purchase order, even if the purchase order is approved at some later date.

(3) Any fiscal year 2009 contract executed prior to July 1, 2008, between the Departments of Job and Family Services and Education and an early learning agency that was not an early learning agency as of June 30, 2008, shall be deemed to be effective as of July 1, 2008, upon issuance of a state purchase order, even if the purchase order is approved at some later date.

(4) Any fiscal year 2009 contract executed between the Departments of Job and Family Services and Education and an early learning agency that had a valid contract for early learning services on June 30, 2008, shall be deemed to be effective as of July 1, 2008, upon the issuance of a state purchase order, even if the purchase order is approved at some later date.

(M) Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$125,256,000 shall be used in each fiscal year to compensate early learning agencies under this section. The Departments of Job and Family Services and Education shall contract for up to 12,000

enrollment slots for eligible children in each fiscal year through the Early Learning Initiative.

(N) Of the foregoing appropriation item 600-689, TANF Block Grant (Fund 3V6), up to \$800,000 in each fiscal year may be used by the Department of Job and Family Services for administration of the Early Learning Initiative.

(O) Up to \$2,200,000 in each fiscal year may be used by the Department of Education to perform administrative functions for the Early Learning Initiative. The Department of Job and Family Services shall transfer, through intrastate transfer vouchers, cash from Fund 3V6, TANF Block Grant, to Fund 5W2, Early Learning Initiative, in the Department of Education. The amount transferred shall not exceed \$2,200,000 in fiscal year 2008 and \$2,200,000 in fiscal year 2009. The transfer shall occur on a reimbursement basis on a schedule developed and agreed to by both departments.

SECTION 309.50. CHILDREN AND FAMILIES

SECTION 309.50.03. FOSTER CARE REFORM

Of the foregoing appropriation item 600-423, Office of Children and Families, \$1,300,000 in each fiscal year shall be used to pay for foster care audit workers and related administrative expenses for state staff.

Of the foregoing appropriation item 600-523, Children and Families Services, \$9,100,000 in each fiscal year shall be provided to counties for foster care related expenses, including, but not limited to, upfront services, counseling, intake workers, foster care staff, case workers, and trainers.

SECTION 309.50.06. ADULT PROTECTIVE SERVICES

The foregoing appropriation item 600-534, Adult Protective Services, shall be distributed to counties for the provision of services to adults who are in need of protective services. The Department of Job and Family Services shall adopt rules in accordance with Chapter 119. of the Revised Code to establish a formula for distribution of the moneys to the counties, including a requirement that counties put forth a maintenance of effort to be eligible for these moneys ensuring that these moneys are in addition to dollars currently spent on adult protective service efforts and not used to replace other sources of funding.

SECTION 309.50.10. CHILD WELFARE TRAINING INITIATIVE

In each fiscal year, the Department of Job and Family Services shall grant \$50,000 from appropriation item 600-528, Adoption Services, and \$150,000 from appropriation item 600-606, Child Welfare (Fund 327), to the National Center for Adoption Law and Policy to fund a multi-disciplinary child welfare training initiative. The Department of Job and Family Services shall coordinate with the National Center for Adoption Law and Policy to determine the focus of the training provided each year.

ADOPTION LAWSITE INITIATIVE

In each fiscal year, the Department of Job and Family Services shall grant \$37,500 from appropriation item 600-528, Adoption Services, and \$112,500 from appropriation item 600-606, Child Welfare (Fund 327), to the National Center for Adoption Law and Policy to fund expansion of the Adoption LawSite Initiative.

SECTION 309.50.20. CHILDREN'S TRUST FUND

Notwithstanding sections 3109.13 to 3109.18 of the Revised Code, in each fiscal year, 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.

SECTION 309.50.50. VISITING NURSE ASSOCIATION - READY SENIORS

Notwithstanding section 5101.46 of the Revised Code and prior to allocations for administration and training, of the foregoing appropriation item 600-620, Social Services Block Grant, up to \$250,000 in each fiscal year shall be reimbursed to the Visiting Nurses Association of Cleveland, pursuant to a grant agreement entered into by the Visiting Nurses Association of Cleveland and the Department of Job and Family Services, for costs of expanding the Ready Seniors software program that are allowable under state and federal law governing the use of the Block Grant.

SECTION 309.50.60. CHILD PLACEMENT LEVEL OF CARE TOOL PILOT

(A) Contingent upon the availability of funding, the Ohio Department of Job and Family Services shall implement and oversee use of a Child

Placement Level of Care Tool on a pilot basis. The Department shall implement the pilot program in Cuyahoga County and not more than nine additional counties selected by the Department. The pilot program shall be developed with the participating counties and must be acceptable to all participating counties. A selected county must agree to participate in the pilot program.

(B) The pilot program shall begin not later than July 1, 2008, and end not later than December 31, 2009. The length of the program shall not include any time expended in preparation for implementation or any post-pilot program evaluation activity.

(C)(1) In accordance with sections 125.01 to 125.11 of the Revised Code, the Ohio Department of Job and Family Services shall provide for an independent evaluation of the pilot program to rate the program's success in the following areas:

(a) Placement stability, length of stay, and other outcomes for children;
(b) Cost;
(c) Worker satisfaction;
(d) Any other criteria the Department determines will be useful in the consideration of statewide implementation.

(2) The evaluation design shall include:

(a) A comparison of data to historical outcomes or control counties;
(b) A retrospective data review of Cuyahoga County's use of the tool;
(c) A prospective data evaluation in each of the pilot counties.

(D) The Ohio Department of Mental Health shall conduct a study of the children placed using the Child Placement Level of Care Tool, which shall run concurrent with the Ohio Department of Job and Family Services Child Placement Level of Care Tool pilot program. This study shall use both the Child Placement Level of Care Tool and the Ohio Scales in a simultaneous collection of information about children at the time a placement decision is made. Simultaneous data collection using the Ohio Scales and the Placement Level of Care Tool shall be coordinated through collaboration between the Ohio Department of Mental Health and the independent evaluator designated under division (C) of this section to ensure study design integrity and cost efficiency.

Based on this data collection from the Ohio Scales and the Child Placement Level of Care Tool, the study shall focus on analyzing any correlations between the initial placement outcomes and initial scores of problem severity and behavioral health functioning. Through a data sharing agreement with the independent evaluator designated in division (C) of this section, the Department of Mental Health shall also analyze data from

subsequent administrations of the Ohio Scales Tool and changes in placement level of care for any correlations. Upon completion of the study, the Ohio Department of Mental Health shall send a copy of the results of the study to the independent evaluator designated under division (C) of this section.

(E) The independent evaluator designated under division (C) of this section shall send a copy of the evaluator's initial evaluation of the Child Placement Level of Care Tool, the Ohio Department of Mental Health's calibration study designated under division (D) of this section, and the continuity of care analysis designated under division (D) of this section to the Ohio Department of Job and Family Services.

(F) The Ohio Department of Job and Family Services may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to carry out the purposes of this section. The Department shall seek maximum federal financial participation to support the pilot and the evaluation.

(G) Notwithstanding division (E) of section 5101.141 of the Revised Code, the Department of Job and Family Services shall use up to \$1,000,000 of appropriation item 600-663, Children and Family Support, over the biennium to implement the Child Placement Level of Care Tool pilot program described in this section and to contract for the independent evaluation of the pilot program.

(H) As used in this section:

(1) "Child Placement Level of Care Tool" means an assessment tool to be developed by the participating counties to assess a child's placement needs when a child must be removed from the child's own home and cannot be placed with a relative or kin not certified as a foster caregiver that includes assessing a child's behavior, history, psychological state, and the involvement of service systems.

(2) "Ohio Scales Tool" means the Ohio Youth Problems, Functioning, ROLES, and Marker Scales (Ohio Scales, Worker Form) used by the Ohio Department of Mental Health to measure outcomes for youth ages five to eighteen.

SECTION 309.50.70. OHIO BENEFIT BANK

Of the foregoing appropriation item 600-659, TANF/Title XX, up to \$299,276 in fiscal year 2008 and up to \$472,366 in fiscal year 2009 shall be used by the Governor's Office of Faith-Based and Community Initiatives to support the Ohio Benefit Bank, a web-enabled, counselor-assisted, program for low- and moderate-income Ohioans.

SECTION 309.50.80. EARLY CARE AND EDUCATION

Before July 1, 2008, the departments of Job and Family Services and Education shall develop a fiscal model bringing together early care and education programs under one funding system that will provide all children with access to affordable quality care and education.

SECTION 309.70. WORKFORCE DEVELOPMENT

SECTION 309.70.10. TRANSFER TO THE MILITARY INJURY RELIEF FUND

In each year of the biennium, the Director of Job and Family Services shall certify to the Director of Budget and Management the total amount of incentive grants deposited into Fund 331, Federal Operating, on behalf of state and county employees and other individuals, entities, and persons with exemplary service to veterans under an approved employment service delivery program defined in the "Jobs for Veterans Act," 116 Stat. 2033 (2002), as approved by the United States Department of Labor. The Director of Budget and Management shall transfer cash equal to the amount certified by the Director of Job and Family Services from Fund 331 to Fund 5DB, Military Injury Relief Fund. The transferred funds shall be used to support grants to eligible individuals under section 5101.98 of the Revised Code and rules adopted in accordance with that section.

SECTION 309.70.20. WORKFORCE DEVELOPMENT GRANT AGREEMENT

The Department of Job and Family Services may use appropriations from appropriation item 600-688, Workforce Investment Act, to provide financial assistance for workforce development activities included in a grant agreement entered into by the department in accordance with section 5101.20 of the Revised Code.

OHIO STATE APPRENTICESHIP COUNCIL

Of the foregoing appropriation item 600-688, Workforce Investment Act, up to \$1,900,000 in fiscal year 2008 and up to \$2,200,000 in fiscal year 2009 may be used to support the activities of the Ohio State Apprenticeship Council.

YOUTH EMPLOYMENT PROGRAMS

Of the foregoing appropriation item 600-688, Workforce Investment

Act, up to \$6,000,000 over the biennium shall be used for competitive grants to eight major urban centers and four other locations, at least two of which are rural, to provide strategies and programs that meet the needs of at-risk youth. The program shall target youth who have disengaged from the education system and youthful offenders who will be returning to their communities. Eligible grant applications include governmental units, workforce investment boards, and not-for-profit and for-profit entities. Grant funds may be used for youth wages and benefits, supervisory costs, training and support costs, and infrastructure expenses. Grant funds may not be used for construction or renovation of facilities.

THIRD FRONTIER INTERNSHIP PROGRAM

Of the foregoing appropriation item 600-688, Workforce Investment Act, \$1,500,000 in each fiscal year shall be used to support the Third Frontier Internship program.

NURSE EDUCATION ASSISTANCE

Of the foregoing appropriation item 600-688, Workforce Investment Act, \$700,000 in each fiscal year shall be used to support the Nurse Education Assistance program described in division (C)(1)(a) of section 3333.28 of the Revised Code.

SECTION 309.80. UNEMPLOYMENT COMPENSATION

SECTION 309.80.10. EMPLOYER SURCHARGE

The surcharge and the interest on the surcharge amounts due for calendar years 1988, 1989, and 1990 as required by Am. Sub. H.B. 171 of the 117th General Assembly, Am. Sub. H.B. 111 of the 118th General Assembly, and section 4141.251 of the Revised Code as it existed prior to its repeal by Sub. H.B. 478 of the 122nd General Assembly, again shall be assessed and collected by, accounted for, and made available to the Department of Job and Family Services in the same manner as set forth in section 4141.251 of the Revised Code as it existed prior to its repeal by Sub. H.B. 478 of the 122nd General Assembly, notwithstanding the repeal of the surcharge for calendar years after 1990, pursuant to Sub. H.B. 478 of the 122nd General Assembly, except that amounts received by the Director on or after July 1, 2001, shall be deposited into the Unemployment Compensation Special Administrative Fund (Fund 4A9) established pursuant to section 4141.11 of the Revised Code.

SECTION 309.80.20. FEDERAL UNEMPLOYMENT PROGRAMS

All unexpended funds remaining at the end of fiscal year 2007 that were appropriated and made available to the state under section 903(d) of the Social Security Act, as amended, in the foregoing appropriation item 600-678, Federal Unemployment Programs (Fund 3V4), are hereby appropriated to the Department of Job and Family Services. Upon the request of the Director of Job and Family Services, the Director of Budget and Management may increase the appropriation for fiscal year 2008 by the amount remaining unspent from the fiscal year 2007 appropriation and may increase the appropriation for fiscal year 2009 by the amount remaining unspent from the fiscal year 2008 appropriation. The appropriation shall be used under the direction of the Department of Job and Family Services to pay for administrative activities for the Unemployment Insurance Program, employment services, and other allowable expenditures under section 903(d) of the Social Security Act, as amended.

The amounts obligated pursuant to this section shall not exceed at any time the amount by which the aggregate of the amounts transferred to the account of the state under section 903(d) of the Social Security Act, as amended, exceeds the aggregate of the amounts obligated for administration and paid out for benefits and required by law to be charged against the amounts transferred to the account of the state.

SECTION 311.10. JCO JUDICIAL CONFERENCE OF OHIO**General Revenue Fund**

GRF 018-321	Operating Expenses	\$	985,710	\$	1,015,281
TOTAL GRF General Revenue Fund		\$	985,710	\$	1,015,281

General Services Fund Group

403 018-601	Ohio Jury Instructions	\$	350,000	\$	350,000
TOTAL GSF General Services Fund Group		\$	350,000	\$	350,000
TOTAL ALL BUDGET FUND GROUPS		\$	1,335,710	\$	1,365,281

STATE COUNCIL OF UNIFORM STATE LAWS

Notwithstanding section 105.26 of the Revised Code, of the foregoing appropriation item 018-321, Operating Expenses, up to \$71,000 in fiscal year 2008 and up to \$73,000 in fiscal year 2009 may be used to pay the expenses of the State Council of Uniform State Laws, including membership dues to the National Conference of Commissioners on Uniform State Laws.

OHIO JURY INSTRUCTIONS FUND

The Ohio Jury Instructions Fund (Fund 403) shall consist of grants, royalties, dues, conference fees, bequests, devises, and other gifts received

for the purpose of supporting costs incurred by the Judicial Conference of Ohio in dispensing educational and informational data to the state's judicial system. Fund 403 shall be used by the Judicial Conference of Ohio to pay expenses incurred in dispensing educational and informational data to the state's judicial system. All moneys accruing to Fund 403 in excess of \$350,000 in fiscal year 2008 and in excess of \$350,000 in fiscal year 2009 are hereby appropriated for the purposes authorized.

No money in the Ohio Jury Instructions Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board.

SECTION 313.10. JSC THE JUDICIARY/SUPREME COURT

General Revenue Fund

GRF 005-321	Operating Expenses - Judiciary/Supreme Court	\$	127,778,192	\$	133,144,970
GRF 005-401	State Criminal Sentencing Council	\$	331,500	\$	336,770
GRF 005-406	Law-Related Education	\$	229,290	\$	236,172
GRF 005-409	Ohio Courts Technology Initiative	\$	4,000,000	\$	6,500,000
GRF 005-502	Legal Education Opportunity	\$	250,000	\$	350,000
TOTAL GRF General Revenue Fund		\$	132,588,982	\$	140,567,912

General Services Fund Group

672 005-601	Continuing Judicial Education	\$	136,000	\$	140,000
TOTAL GSF General Services Fund Group		\$	136,000	\$	140,000

Federal Special Revenue Fund Group

3J0 005-603	Federal Grants	\$	1,518,491	\$	1,467,693
TOTAL FED Federal Special Revenue Fund Group		\$	1,518,491	\$	1,467,693

State Special Revenue Fund Group

4C8 005-605	Attorney Services	\$	3,841,416	\$	3,936,058
5T8 005-609	Grants and Awards	\$	100,000	\$	100,000
6A8 005-606	Supreme Court Admissions	\$	1,496,633	\$	1,541,532
TOTAL SSR State Special Revenue Fund Group		\$	5,438,049	\$	5,577,590

TOTAL ALL BUDGET FUND GROUPS		\$	139,681,522	\$	147,753,195
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LAW-RELATED EDUCATION

The foregoing appropriation item 005-406, Law-Related Education, shall be distributed directly to the Ohio Center for Law-Related Education for the purposes of providing continuing citizenship education activities to primary and secondary students, expanding delinquency prevention programs, increasing activities for at-risk youth, and accessing additional public and private money for new programs.

OHIO COURTS TECHNOLOGY INITIATIVE

The foregoing appropriation item 005-409, Ohio Courts Technology

Initiative, shall be used to fund an initiative by the Supreme Court to facilitate the exchange of information and warehousing of data by and between Ohio courts and other justice system partners through the creation of an Ohio Courts Network, the delivery of technology services to courts throughout the state, including the provision of hardware, software, and the development and implementation of educational and training programs for judges and court personnel, and the creation and operation of the Commission on Technology and the Courts by the Supreme Court for the promulgation of statewide rules, policies, and uniform standards, and to aid in the orderly adoption and comprehensive use of technology in Ohio courts.

LEGAL EDUCATION OPPORTUNITY

The foregoing appropriation item 005-502, Legal Education Opportunity, shall be used to fund activities undertaken at the direction of the Chief Justice of the Supreme Court for purposes of introducing minority, low-income, and educationally disadvantaged Ohio students to the legal system and providing educational opportunities to those same students who are preparing for college and interested in the pursuit of a legal career. The foregoing appropriation item 005-502, Legal Education Opportunity, may be used by the Supreme Court, in cooperation with other entities, to establish and provide programs, courses, and activities consistent with the purposes set forth in this paragraph and to pay the associated administrative costs.

CONTINUING JUDICIAL EDUCATION

The Continuing Judicial Education Fund (Fund 672) shall consist of fees paid by judges and court personnel for attending continuing education courses and other gifts and grants received for the purpose of continuing judicial education. The foregoing appropriation item 005-601, Continuing Judicial Education, shall be used to pay expenses for continuing education courses for judges and court personnel. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

No money in the Continuing Judicial Education Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board. Interest earned on moneys in the Continuing Judicial Education Fund shall be credited to the fund.

FEDERAL GRANTS

The Federal Grants Fund (Fund 3J0) shall consist of grants and other moneys awarded to the Supreme Court (The Judiciary) by the United States Government or other entities that receive the moneys directly from the United States Government and distribute those moneys to the Supreme

Court (The Judiciary). The foregoing appropriation item 005-603, Federal Grants, shall be used in a manner consistent with the purpose of the grant or award. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

No money in the Federal Grants Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board. However, interest earned on moneys in the Federal Grants Fund shall be credited or transferred to the General Revenue Fund.

ATTORNEY SERVICES

The Attorney Services Fund (Fund 4C8), formerly known as the Attorney Registration Fund, shall consist of moneys received by the Supreme Court (The Judiciary) pursuant to the Rules for the Government of the Bar of Ohio. In addition to funding other activities considered appropriate by the Supreme Court, the foregoing appropriation item 005-605, Attorney Services, may be used to compensate employees and to fund appropriate activities of the following offices established by the Supreme Court: the Office of Disciplinary Counsel, the Board of Commissioners on Grievances and Discipline, the Clients' Security Fund, and the Attorney Services Division. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

No moneys in the Attorney Services Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board. Interest earned on moneys in the Attorney Services Fund shall be credited to the fund.

GRANTS AND AWARDS

The Grants and Awards Fund (Fund 5T8) shall consist of grants and other moneys awarded to the Supreme Court (The Judiciary) by the State Justice Institute, the Division of Criminal Justice Services, or other entities. The foregoing appropriation item 005-609, Grants and Awards, shall be used in a manner consistent with the purpose of the grant or award. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

No moneys in the Grants and Awards Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board. However, interest earned on moneys in the Grants and Awards Fund shall be credited or transferred to the General Revenue Fund.

SUPREME COURT ADMISSIONS

The foregoing appropriation item 005-606, Supreme Court Admissions, shall be used to compensate Supreme Court employees who are primarily responsible for administering the attorney admissions program under the Rules for the Government of the Bar of Ohio, and to fund any other activities considered appropriate by the court. Moneys shall be deposited into the Supreme Court Admissions Fund (Fund 6A8) under the Supreme Court Rules for the Government of the Bar of Ohio. If it is determined by the Administrative Director of the Supreme Court that additional appropriations are necessary, the amounts are hereby appropriated.

No moneys in the Supreme Court Admissions Fund shall be transferred to any other fund by the Director of Budget and Management or the Controlling Board. Interest earned on moneys in the Supreme Court Admissions Fund shall be credited to the fund.

FUND ELIMINATION

Effective July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management shall transfer the cash balance in the Commission on Continuing Legal Education Fund (Fund 643) to the Attorney Services Fund (Fund 4C8). The director shall cancel any existing encumbrances against appropriation item 005-607, Commission on Continuing Legal Education, and re-establish them against appropriation item 005-605, Attorney Services. The amounts of the re-established encumbrances are hereby appropriated. Upon completion of these transfers, the Commission on Continuing Legal Education Fund (Fund 643) is hereby abolished.

TRANSFER OF UNENCUMBERED GRF APPROPRIATION AUTHORITY FOR INDIGENT DEFENSE

On July 1, 2008, or as soon as practicable thereafter, the Administrative Director of the Supreme Court shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 005-321, Operating Expenses - Judiciary/Supreme Court. The Director of Budget and Management shall transfer that certified amount of unencumbered fiscal year 2008 appropriations to fiscal year 2009 for use within the Ohio Public Defender Commission's appropriation item 019-501, County Reimbursement. The amount certified and transferred is hereby appropriated to the Ohio Public Defender Commission's appropriation item 019-501, County Reimbursement, in fiscal year 2009.

SECTION 315.10. LEC LAKE ERIE COMMISSION

State Special Revenue Fund Group

4C0 780-601	Lake Erie Protection Fund	\$	450,000	\$	450,000
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5D8 780-602 Lake Erie Resources Fund	\$	387,000	\$	388,000
TOTAL SSR State Special Revenue				
Fund Group	\$	837,000	\$	838,000
TOTAL ALL BUDGET FUND GROUPS	\$	837,000	\$	838,000

CASH TRANSFER

Not later than the thirtieth day of November of each fiscal year, the Executive Director of the Ohio Lake Erie Office, with the approval of the Lake Erie Commission, shall certify to the Director of Budget and Management the cash balance in the Lake Erie Resources Fund (Fund 5D8) in excess of amounts needed to meet operating expenses of the Lake Erie Office. The Lake Erie Office may request the Director of Budget and Management to transfer up to the certified amount from the Lake Erie Resources Fund (Fund 5D8) to the Lake Erie Protection Fund (Fund 4C0). The Director of Budget and Management may transfer the requested amount, or the Director may transfer a different amount up to the certified amount. Cash transferred shall be used for the purposes described in division (A) of section 1506.23 of the Revised Code. The amount transferred by the director is hereby appropriated to the foregoing appropriation item 780-601, Lake Erie Protection Fund, which shall be increased by the amount transferred.

SECTION 317.10. LRS LEGAL RIGHTS SERVICE

General Revenue Fund

GRF 054-321 Support Services	\$	198,075	\$	198,075
GRF 054-401 Ombudsman	\$	291,247	\$	291,247
TOTAL GRF General Revenue Fund	\$	489,322	\$	489,322

General Services Fund Group

5M0 054-610 Program Support	\$	81,352	\$	81,352
TOTAL GSF General Services Fund Group	\$	81,352	\$	81,352

Federal Special Revenue Fund Group

3AG 054-613 Protection and Advocacy - Voter Accessibility	\$	115,000	\$	115,000
3B8 054-603 Protection and Advocacy - Mentally Ill	\$	1,089,999	\$	1,089,999
3CA 054-615 Work Incentives Planning and Assistance	\$	355,000	\$	355,000
3N3 054-606 Protection and Advocacy - Individual Rights	\$	560,000	\$	560,000
3N9 054-607 Assistive Technology	\$	160,000	\$	160,000
3R9 054-604 Family Support Collaborative	\$	55,000	\$	55,000
3R9 054-616 Developmental Disability Publications	\$	130,000	\$	130,000
3T2 054-609 Client Assistance Program	\$	435,000	\$	435,000
3X1 054-611 Protection and Advocacy for Beneficiaries of Social	\$	235,001	\$	235,001

	Security			
3Z6	054-612	Traumatic Brain Injury	\$ 70,000	\$ 70,000
305	054-602	Protection and Advocacy - Developmentally Disabled	\$ 1,500,000	\$ 1,500,000
TOTAL FED Federal Special Revenue Fund Group			\$ 4,705,000	\$ 4,705,000
State Special Revenue Fund Group				
5AE	054-614	Grants and Contracts	\$ 100,000	\$ 100,000
TOTAL SSR State Special Revenue Fund Group			\$ 100,000	\$ 100,000
TOTAL ALL BUDGET FUND GROUPS			\$ 5,375,674	\$ 5,375,674

SECTION 319.10. JLE JOINT LEGISLATIVE ETHICS COMMITTEE

General Revenue Fund				
GRF	028-321	Legislative Ethics Committee	\$ 550,000	\$ 550,000
TOTAL GRF General Revenue Fund			\$ 550,000	\$ 550,000
General Services Fund Group				
4G7028-601		Joint Legislative Ethics Committee	\$ 100,000	\$ 100,000
TOTAL GSF General Services Fund Group			\$ 100,000	\$ 100,000
TOTAL ALL BUDGET FUND GROUPS			\$ 650,000	\$ 650,000

SECTION 321.10. LSC LEGISLATIVE SERVICE COMMISSION

General Revenue Fund				
GRF	035-321	Operating Expenses	\$ 14,917,700	\$ 14,917,700
GRF	035-402	Legislative Interns	\$ 1,022,120	\$ 1,022,120
GRF	035-405	Correctional Institution Inspection Committee	\$ 438,900	\$ 438,900
GRF	035-409	National Associations	\$ 460,560	\$ 460,560
GRF	035-410	Legislative Information Systems	\$ 3,661,250	\$ 3,661,250
TOTAL GRF General Revenue Fund			\$ 20,500,530	\$ 20,500,530
General Services Fund Group				
4F6	035-603	Legislative Budget Services	\$ 154,025	\$ 154,025
410	035-601	Sale of Publications	\$ 25,250	\$ 25,250
5EF	035-607	House and Senate Telephone Usage	\$ 30,000	\$ 30,000
TOTAL GSF General Services Fund Group			\$ 209,275	\$ 209,275
TOTAL ALL BUDGET FUND GROUPS			\$ 20,709,805	\$ 20,709,805

**JOINT LEGISLATIVE COMMITTEE ON MEDICAID
TECHNOLOGY AND REFORM**

Of the foregoing appropriation item 035-321, Operating Expenses, \$100,000 in each fiscal year shall be used for costs associated with

employing an executive director for the Joint Legislative Committee on Medicaid Technology and Reform as authorized by division (C) of section 101.391 of the Revised Code.

SECTION 323.10. LIB STATE LIBRARY BOARD

General Revenue Fund

GRF 350-321	Operating Expenses	\$	6,298,677	\$	6,298,677
GRF 350-400	Ohio Public Library Information Network	\$	4,330,000	\$	4,330,000
GRF 350-401	Ohioana Rental Payments	\$	124,816	\$	124,816
GRF 350-501	Library for the Blind-Cincinnati	\$	535,615	\$	535,615
GRF 350-502	Regional Library Systems	\$	1,010,441	\$	1,010,441
GRF 350-503	Library for the Blind-Cleveland	\$	805,642	\$	805,642
TOTAL GRF General Revenue Fund		\$	13,105,191	\$	13,105,191

General Services Fund Group

139 350-602	Intra-Agency Service Charges	\$	9,000	\$	9,000
4S4 350-604	Ohio Public Library Information Network Technology	\$	3,000,000	\$	3,000,000
459 350-602	Library Service Charges	\$	2,708,092	\$	2,708,092
TOTAL GSF General Services Fund Group		\$	5,717,092	\$	5,717,092

Federal Special Revenue Fund Group

313 350-601	LSTA Federal	\$	5,691,792	\$	5,691,792
TOTAL FED Federal Special Revenue Fund Group		\$	5,691,792	\$	5,691,792
TOTAL ALL BUDGET FUND GROUPS		\$	24,514,075	\$	24,514,075

OHIOANA RENTAL PAYMENTS

The foregoing appropriation item 350-401, Ohioana Rental Payments, shall be used to pay the rental expenses of the Martha Kinney Cooper Ohioana Library Association pursuant to section 3375.61 of the Revised Code.

LIBRARY FOR THE BLIND-CINCINNATI

The foregoing appropriation item 350-501, Library for the Blind-Cincinnati, shall be used for the Talking Book program, which assists the blind and disabled.

REGIONAL LIBRARY SYSTEMS

The foregoing appropriation item 350-502, Regional Library Systems, shall be used to support regional library systems eligible for funding under sections 3375.83 and 3375.90 of the Revised Code.

LIBRARY FOR THE BLIND-CLEVELAND

The foregoing appropriation item 350-503, Library for the Blind-Cleveland, shall be used for the Talking Book program, which assists

the blind and disabled.

OHIO PUBLIC LIBRARY INFORMATION NETWORK

The foregoing appropriation items 350-604, Ohio Public Library Information Network Technology, and 350-400, Ohio Public Library Information Network, shall be used for an information telecommunications network linking public libraries in the state and such others as may be certified as participants by the Ohio Public Library Information Network Board.

The Ohio Public Library Information Network Board shall consist of eleven members appointed by the State Library Board from among the staff of public libraries and past and present members of boards of trustees of public libraries, based on the recommendations of the Ohio library community. The Ohio Public Library Information Network Board, in consultation with the State Library, shall develop a plan of operations for the network. The board may make decisions regarding use of the foregoing appropriation items 350-400, Ohio Public Library Information Network, and 350-604, Ohio Public Library Information Network Technology, may receive and expend grants to carry out the operations of the network in accordance with state law and the authority to appoint and fix the compensation of a director and necessary staff. The State Library shall be the fiscal agent for the network and shall have fiscal accountability for the expenditure of funds. The Ohio Public Library Information Network Board members shall be reimbursed for actual travel and necessary expenses incurred in carrying out their responsibilities.

In order to limit access to obscene and illegal materials through internet use at Ohio Public Library Information Network (OPLIN) terminals, local libraries with OPLIN computer terminals shall adopt policies that control access to obscene and illegal materials. These policies may include use of technological systems to select or block certain internet access. The OPLIN shall condition provision of its funds, goods, and services on compliance with these policies. The OPLIN Board shall also adopt and communicate specific recommendations to local libraries on methods to control such improper usage. These methods may include each library implementing a written policy controlling such improper use of library terminals and requirements for parental involvement or written authorization for juvenile internet usage.

Of the foregoing appropriation item 350-400, Ohio Public Library Information Network, up to \$100,000 in each fiscal year shall be used to help local libraries purchase or maintain filters to screen out obscene and illegal internet materials.

The OPLIN Board shall research and assist or advise local libraries with regard to emerging technologies and methods that may be effective means to control access to obscene and illegal materials. The OPLIN Executive Director shall biannually provide written reports to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate on any steps being taken by OPLIN and public libraries in the state to limit and control such improper usage as well as information on technological, legal, and law enforcement trends nationally and internationally affecting this area of public access and service.

The Ohio Public Library Information Network, INFOhio, and OhioLINK shall, to the extent feasible, coordinate and cooperate in their purchase or other acquisition of the use of electronic databases for their respective users and shall contribute funds in an equitable manner to such effort.

SECTION 325.10. LCO LIQUOR CONTROL COMMISSION

Liquor Control Fund Group

043 970-321	Operating Expenses	\$	743,093	\$	772,524
TOTAL LCF Liquor Control Fund Group		\$	743,093	\$	772,524
TOTAL ALL BUDGET FUND GROUPS		\$	743,093	\$	772,524

SECTION 327.10. LOT STATE LOTTERY COMMISSION

General Services Fund Group

231 950-604	Charitable Gaming Oversight	\$	2,253,000	\$	2,378,000
TOTAL GSF General Services Fund Group		\$	2,253,000	\$	2,378,000

State Lottery Fund Group

044 950-100	Personal Services	\$	25,945,116	\$	27,085,265
044 950-200	Maintenance	\$	18,748,274	\$	18,693,328
044 950-300	Equipment	\$	2,554,500	\$	2,446,500
044 950-402	Advertising Contracts	\$	21,250,000	\$	21,250,000
044 950-403	Gaming Contracts	\$	50,419,360	\$	51,250,704
044 950-500	Problem Gambling Subsidy	\$	335,000	\$	335,000
044 950-601	Direct Prize Payments	\$	147,716,286	\$	147,716,286
871 950-602	Annuity Prizes	\$	151,724,305	\$	151,724,305
TOTAL SLF State Lottery Fund Group		\$	418,692,841	\$	420,501,388
TOTAL ALL BUDGET FUND GROUPS		\$	420,945,841	\$	422,879,388

OPERATING EXPENSES

Notwithstanding sections 127.14 and 131.35 of the Revised Code, the Controlling Board may, at the request of the State Lottery Commission, authorize additional appropriations for operating expenses of the State Lottery Commission from the State Lottery Fund up to a maximum of 15

per cent of anticipated total revenue accruing from the sale of lottery tickets.

DIRECT PRIZE PAYMENTS

Any amounts, in addition to the amounts appropriated in appropriation item 950-601, Direct Prize Payments, that the Director of the State Lottery Commission determines to be necessary to fund prizes, bonuses, and commissions are hereby appropriated.

ANNUITY PRIZES

With the approval of the Office of Budget and Management, the State Lottery Commission shall transfer cash from the State Lottery Fund Group (Fund 044) to the Deferred Prizes Trust Fund (Fund 871) in an amount sufficient to fund deferred prizes. The Treasurer of State, from time to time, shall credit the Deferred Prizes Trust Fund (Fund 871) the pro rata share of interest earned by the Treasurer of State on invested balances.

Any amounts, in addition to the amounts appropriated in appropriation item 950-602, Annuity Prizes, that the Director of the State Lottery Commission determines to be necessary to fund deferred prizes and interest earnings are hereby appropriated.

TRANSFERS TO THE LOTTERY PROFITS EDUCATION FUND

The Ohio Lottery Commission shall transfer an amount greater than or equal to \$657,900,000 in fiscal year 2008 and \$667,900,000 in fiscal year 2009 to the Lottery Profits Education Fund. Transfers from the Commission to the Lottery Profits Education Fund shall represent the estimated net income from operations for the Commission in fiscal year 2008 and fiscal year 2009. Transfers by the Commission to the Lottery Profits Education Fund shall be administered as the statutes direct.

SECTION 329.10. MHC MANUFACTURED HOMES COMMISSION

General Services Fund Group

4K9 996-609 Operating Expenses	\$	418,122	\$	434,671
TOTAL GSF General Services Fund Group	\$	418,122	\$	434,671
TOTAL ALL BUDGET FUND GROUPS	\$	418,122	\$	434,671

SECTION 331.10. MED STATE MEDICAL BOARD

General Services Fund Group

5C6 883-609 Operating Expenses	\$	7,883,145	\$	8,225,945
TOTAL GSF General Services Fund Group	\$	7,883,145	\$	8,225,945
TOTAL ALL BUDGET FUND GROUPS	\$	7,883,145	\$	8,225,945

SECTION 333.10. AMB MEDICAL TRANSPORTATION BOARD

General Services Fund Group

4K9 915-604	Operating Expenses	\$	471,450	\$	473,450
TOTAL GSF General Services					
Fund Group		\$	471,450	\$	473,450
TOTAL ALL BUDGET FUND GROUPS		\$	471,450	\$	473,450

CASH TRANSFER TO OCCUPATIONAL LICENSING AND REGULATORY FUND (FUND 4K9)

Effective July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management may transfer the cash balance in the Ohio Medical Transportation Trust Fund (Fund 4N1), created in division (B) of section 4766.05 of the Revised Code, to the Occupational Licensing and Regulatory Fund (Fund 4K9), created in section 4743.05 of the Revised Code. The director shall cancel any existing encumbrances against appropriation item 915-601, Operating Expenses, and re-establish them against appropriation item 915-604, Operating Expenses. The amounts of the re-established encumbrances are hereby appropriated. Upon completion of these transfers, the Ohio Medical Transportation Trust Fund (Fund 4N1) is hereby abolished.

SECTION 335.10. DMH DEPARTMENT OF MENTAL HEALTH

General Services Fund Group

151 336-601	Office of Support Services	\$	134,060,000	\$	148,998,000
TOTAL General Services Fund Group		\$	134,060,000	\$	148,998,000

Division of Mental Health--

Psychiatric Services to Correctional Facilities

General Revenue Fund

GRF 332-401	Forensic Services	\$	4,338,858	\$	4,338,858
TOTAL GRF General Revenue Fund		\$	4,338,858	\$	4,338,858

SECTION 335.10.10. FORENSIC SERVICES

The foregoing appropriation item 332-401, Forensic Services, shall be used to provide psychiatric services to courts of common pleas. The appropriation shall be allocated through community mental health boards to certified community agencies and shall be distributed according to the criteria delineated in rule 5122:32-01 of the Administrative Code. These community forensic funds may also be used to provide forensic training to community mental health boards and to forensic psychiatry residency programs in hospitals operated by the Department of Mental Health and to

provide evaluations of patients of forensic status in facilities operated by the Department of Mental Health prior to conditional release to the community.

In addition, appropriation item 332-401, Forensic Services, may be used to support projects involving mental health, substance abuse, courts, and law enforcement to identify and develop appropriate alternative services to incarceration for nonviolent mentally ill offenders, and to provide specialized re-entry services to offenders leaving prisons and jails. Funds may also be utilized to provide forensic monitoring and tracking in addition to community programs serving persons of forensic status on conditional release or probation.

**SECTION 335.20. Division of Mental Health--
Administration and Statewide Programs**

General Revenue Fund

GRF 333-321	Central Administration	\$	23,750,000	\$	23,750,000
GRF 333-402	Resident Trainees	\$	1,364,919	\$	1,364,919
GRF 333-403	Pre-Admission Screening Expenses	\$	650,135	\$	650,135
GRF 333-415	Lease-Rental Payments	\$	23,767,400	\$	20,504,500
GRF 333-416	Research Program Evaluation	\$	1,001,551	\$	1,001,551
TOTAL GRF General Revenue Fund		\$	50,534,005	\$	47,271,105

General Services Fund Group

149 333-609	Central Office Operating	\$	1,200,000	\$	1,200,000
TOTAL General Services Fund Group		\$	1,200,000	\$	1,200,000

Federal Special Revenue Fund Group

3A6 333-608	Community & Hospital Services	\$	140,000	\$	140,000
3A7 333-612	Social Services Block Grant	\$	25,000	\$	25,000
3A8 333-613	Federal Grant - Administration	\$	4,888,105	\$	4,888,105
3A9 333-614	Mental Health Block Grant - Administration	\$	748,470	\$	748,470
3B1 333-635	Community Medicaid Expansion	\$	13,691,682	\$	13,691,682
324 333-605	Medicaid/Medicare	\$	154,500	\$	154,500
TOTAL Federal Special Revenue Fund Group		\$	19,647,757	\$	19,647,757

State Special Revenue Fund Group

232 333-621	Family and Children First Administration	\$	625,000	\$	625,000
4X5 333-607	Behavioral Health Medicaid Services	\$	3,000,634	\$	3,000,634
485 333-632	Mental Health Operating	\$	134,233	\$	134,233
5V2 333-611	Non-Federal Miscellaneous	\$	580,000	\$	560,000
TOTAL State Special Revenue Fund Group		\$	4,339,867	\$	4,319,867
TOTAL ALL BUDGET FUND GROUPS		\$	75,721,629	\$	72,438,729

SECTION 335.20.10. RESIDENCY TRAINEESHIP PROGRAMS

The foregoing appropriation item 333-402, Resident Trainees, shall be used to fund training agreements entered into by the Department of Mental Health for the development of curricula and the provision of training programs to support public mental health services.

SECTION 335.20.20. PRE-ADMISSION SCREENING EXPENSES

The foregoing appropriation item 333-403, Pre-Admission Screening Expenses, shall be used to pay for costs to ensure that uniform statewide methods for pre-admission screening are in place to perform assessments for persons who have severe mental illness and are referred for long-term Medicaid certified nursing facility placement. Pre-admission screening includes the following activities: pre-admission assessment, consideration of continued stay requests, discharge planning and referral, and adjudication of appeals and grievance procedures.

SECTION 335.20.30. LEASE-RENTAL PAYMENTS

The foregoing appropriation item 333-415, Lease-Rental Payments, shall be used to meet all payments during the period from July 1, 2007, to June 30, 2009, by the Department of Mental Health under leases and agreements made under section 154.20 of the Revised Code. These appropriations are the source of funds pledged for bond service charges on obligations issued pursuant to Chapter 154. of the Revised Code.

SECTION 335.20.40. BEHAVIORAL HEALTH MEDICAID SERVICES

The Department of Mental Health shall administer specified Medicaid Services as delegated by the Department of Job and Family Services in an interagency agreement. The foregoing appropriation item 333-607, Behavioral Health Medicaid Services, may be used to make payments for free-standing psychiatric hospital inpatient services as defined in an interagency agreement with the Department of Job and Family Services.

SECTION 335.20.50. PERFORMANCE AUDIT

The Auditor of State shall complete a performance audit of the Department of Mental Health. Upon completing the performance audit, the Auditor of State shall submit a report of the findings of the audit to the

Governor, the President of the Senate, the Speaker of the House of Representatives, and the Director of Mental Health. Expenses incurred by the Auditor of State to conduct the performance audit shall be reimbursed by the Department of Mental Health.

SECTION 335.20.60. INTERNAL REVIEW

The Director of Mental Health shall consult with the Director of Budget and Management and representatives of local and county mental health services agencies to conduct an internal review of policies and procedures to increase efficiency and identify and eliminate duplicative practices. Any savings identified as a result of the internal review or the performance audit conducted by the Auditor of State shall be used for community-based care.

The Director of Mental Health shall seek Controlling Board approval before expending any funds identified as a result of the internal review or the performance audit.

SECTION 335.30. DIVISION OF MENTAL HEALTH - HOSPITALS

General Revenue Fund

GRF 334-408	Community and Hospital Mental Health Services	\$	400,324,545	\$	400,324,545
GRF 334-506	Court Costs	\$	976,652	\$	976,652
TOTAL GRF General Revenue Fund		\$	401,301,197	\$	401,301,197

General Services Fund Group

149 334-609	Hospital - Operating Expenses	\$	33,800,000	\$	33,800,000
150 334-620	Special Education	\$	120,930	\$	120,930
TOTAL GSF General Services Fund Group		\$	33,920,930	\$	33,920,930

Federal Special Revenue Fund Group

3A6 334-608	Subsidy for Federal Grants	\$	586,224	\$	586,224
3A8 334-613	Federal Letter of Credit	\$	200,000	\$	200,000
3B0 334-617	Adult Basic and Literary Education	\$	182,334	\$	182,334
3B1 334-635	Hospital Medicaid Expansion	\$	2,000,000	\$	2,000,000
324 334-605	Medicaid/Medicare	\$	34,500,000	\$	50,500,000
TOTAL FED Federal Special Revenue Fund Group		\$	37,468,558	\$	53,468,558

State Special Revenue Fund Group

485 334-632	Mental Health Operating	\$	3,100,000	\$	3,100,000
692 334-636	Community Mental Health Board Risk Fund	\$	80,000	\$	80,000
TOTAL SSR State Special Revenue Fund Group		\$	3,180,000	\$	3,180,000
TOTAL ALL BUDGET FUND GROUPS		\$	475,870,685	\$	491,870,685

SECTION 335.30.20. COMMUNITY MENTAL HEALTH BOARD RISK FUND

The foregoing appropriation item 334-636, Community Mental Health Board Risk Fund, shall be used to make payments under section 5119.62 of the Revised Code.

SECTION 335.40. DIVISION OF MENTAL HEALTH - COMMUNITY SUPPORT SERVICES

General Revenue Fund

GRF 335-404	Behavioral Health Services-Children	\$	8,076,153	\$	8,711,153
GRF 335-405	Family & Children First	\$	2,260,000	\$	2,260,000
GRF 335-419	Community Medication Subsidy	\$	9,959,798	\$	9,959,798
GRF 335-505	Local Mental Health Systems of Care	\$	104,187,868	\$	104,187,868
TOTAL GRF General Revenue Fund		\$	124,483,819	\$	125,118,819

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	\$	2,178,699	\$	2,178,699
3A7 335-612	Social Services Block Grant	\$	8,657,288	\$	8,657,288
3A8 335-613	Federal Grant - Community Mental Health Board Subsidy	\$	2,595,040	\$	2,595,040
3A9 335-614	Mental Health Block Grant	\$	14,969,400	\$	14,969,400
3B1 335-635	Community Medicaid Expansion	\$	299,614,455	\$	316,699,716
TOTAL FED Federal Special Revenue Fund Group		\$	328,014,882	\$	345,100,143

State Special Revenue Fund Group

5AU 335-615	Behavioral Healthcare	\$	6,690,000	\$	6,690,000
632 335-616	Community Capital Replacement	\$	350,000	\$	350,000
5CH 335-622	Residential Support Service	\$	1,500,000	\$	1,500,000
TOTAL SSR State Special Revenue Fund Group		\$	8,540,000	\$	8,540,000

TOTAL ALL BUDGET FUND GROUPS		\$	461,288,701	\$	479,008,962
DEPARTMENT TOTAL					
GENERAL REVENUE FUND		\$	580,657,879	\$	578,029,979
DEPARTMENT TOTAL					
GENERAL SERVICES FUND GROUP		\$	169,430,930	\$	184,368,930
DEPARTMENT TOTAL					
FEDERAL SPECIAL REVENUE FUND GROUP		\$	385,131,197	\$	418,216,458

DEPARTMENT TOTAL			
STATE SPECIAL REVENUE FUND GROUP	\$	16,059,867	\$ 16,039,867
DEPARTMENT TOTAL			
TOTAL DEPARTMENT OF MENTAL HEALTH	\$	1,151,279,873	\$ 1,196,655,234

SECTION 335.40.10. BEHAVIORAL HEALTH SERVICES - 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 2008 and \$5.5 million in fiscal year 2009 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 distribution formula and guidance defined by a team of state and local stakeholders appointed by the Ohio Family and Children First Cabinet Council. This team 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.

Funds may be used to support the following services and activities as determined by local Alcohol, Drug Addiction, and Mental Health Boards; Community Mental Health Boards; and Alcohol and Drug Addiction Boards and local family and children first councils and aligned with county service coordination mechanism as described in division (C) of section 121.37 of the Revised Code:

(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.

Of the foregoing appropriation item 335-404, Behavioral Health Services-Children, an amount up to \$1.0 million in fiscal year 2008 and \$1.0 million in fiscal year 2009 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 juvenile justice services.

Of the foregoing appropriation item 335-405, Family & Children First, an amount up to \$500,000 in fiscal year 2008 and \$500,000 in fiscal year 2009 shall be used for children for whom the primary focus of treatment is not a mental health or alcohol or drug addiction disorder and require services or supports to assist those needs through the County Family and Children First Council.

Of the foregoing appropriation item 335-404, Behavioral Health Services – Children, an amount up to \$500,000 in each fiscal year shall be used to provide behavioral health treatment services for children from birth to age seven.

SECTION 335.40.15. BEHAVIORAL HEALTH PILOT PROGRAM IN SPECIFIED COUNTIES

(A) As used in this section:

(1) "Local boards" means all of the following, collectively:

(a) The Clermont County Mental Health & Recovery Board;

(b) The Heartland East Collaborative, which is comprised of the Ashtabula Mental Health & Recovery Board; the Columbiana County Mental Health & Recovery Board; the Mental Health & Recovery Board of Portage County; the Alcohol & Drug Addiction Services Board of Stark County; the Stark County Community Mental Health Board; and the Mental Health & Recovery Board of Wayne and Holmes Counties;

(c) The Alcohol, Drug and Mental Health Board of Franklin County;

(d) The Geauga County Board of Mental Health and Recovery Services;

(e) The Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties;

(f) The Mental Health & Recovery Services Board of Lucas County;

(g) The Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services;

(h) The Mental Health and Recovery Services Board of Richland County.

(2) "Large county local boards" means the Alcohol, Drug and Mental Health Board of Franklin County and the Mental Health & Recovery Services Board of Lucas County.

(3) "Medicaid managed care plan" means a health insuring corporation under contract with the Department of Job and Family Services pursuant to section 5111.17 of the Revised Code.

(4) "Mid-size county local boards" means the Mental Health and Recovery Services Board of Richland County and the Clermont County Mental Health & Recovery Board.

(5) "Selected local boards" means the local boards selected pursuant to division (B) of this section to participate in the behavioral health pilot program.

(6) "Small county local boards" means the Geauga County Board of Mental Health and Recovery Services; the Mental Health, Drug and Alcohol Services Board of Logan and Champaign Counties; and the Gallia-Jackson-Meigs Board of Alcohol, Drug Addiction and Mental Health Services.

(B) The local boards and the Departments of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services shall select one large county local board, one mid-size county local board, and one small local board to participate with the Heartland East Collaborative in a behavioral health pilot program to be developed and operating not later than October 1, 2007, that serves the counties of the selected local boards and the counties served by the Heartland East Collaborative. The purpose of the program is to test a model of a system of care for community behavioral health services delivered to individuals described in division (E) of this section. The pilot program shall cease to operate on June 30, 2009.

(C) The model tested by the pilot program shall propose to do all of the following:

- (1) Provide clinically appropriate and timely behavioral health services;
- (2) Provide improved access to a full continuum of behavioral health care to Medicaid recipients and individuals who are not Medicaid recipients;
- (3) Improve the quality of behavioral health services provided;
- (4) Improve accountability for behavioral health services provided through measurement of outcomes;
- (5) Control costs to assure financial viability;

(6) Consider all public funds administered through the boards;
(7) Coordinate with Medicaid managed care plans operating in the counties in which the pilot is operated.

(8) Have the ability to be replicated in all regions of the state.

(D) The pilot program may include the following elements:

(1) Development of defined behavioral health service packages;

(2) Guidelines to ensure that behavioral health service types and amounts match individual needs;

(3) Identification and tracking of outcomes;

(4) A process for care coordination and utilization review and management;

(5) Performance standards for provider participation.

(E) The pilot program shall target the following individuals:

(1) Adults who reside in the counties served by the selected local boards and have been diagnosed as suffering from one or more serious mental illnesses;

(2) Adults who reside in the counties served by the selected local boards and have been diagnosed as suffering from alcoholism or drug addiction, or both;

(3) Adults who reside in the counties served by the selected local boards and have been diagnosed as suffering from at least one of the conditions described in division (E)(1) of this section and at least one of the conditions described in division (E)(2) of this section, who have been identified as having a high risk for frequent utilization of behavioral health services, and who currently receive services from the public behavioral health system.

To the extent determined appropriate by the advisory committee that must be convened under division (G) of this section, the pilot program may target adults who reside in the counties served by the selected local boards and have been identified as having a high risk for frequent utilization of behavioral health services, regardless of diagnosis.

(F) The selected local boards, the Departments of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services, and the Medicaid managed care plans operating in the counties in which the pilot is operated shall conduct an interim and final evaluation of the pilot program. A report summarizing the findings of the interim evaluation shall be submitted to the Governor, the Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, and the Directors of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services not later than January 30, 2009. A report summarizing the findings of the final evaluation shall be submitted to the Governor, the

Speaker and Minority Leader of the House of Representatives, the President and Minority Leader of the Senate, and the Directors of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services not later than September 1, 2009.

(G) The selected local boards, Departments of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services, and Medicaid managed care plans operating in the counties in which the pilot is operated shall convene an advisory committee to consult the selected local boards and the Departments of Mental Health, Alcohol and Drug Addiction Services, and Job and Family Services in the development and operation of the pilot program. Members of the advisory committee shall represent consumers, advocacy groups, and providers of alcohol and drug addiction or mental health services.

On submission of the report summarizing the results of the final evaluation of the pilot program, the advisory committee shall cease to exist.

SECTION 335.40.20. 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.

SECTION 335.40.30. 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 item 334-505, Local Mental Health Systems of Care, not less than \$37,058,917 in fiscal year 2008 and not less than \$37,058,917 in fiscal year 2009 shall be distributed by the Department of Mental Health on a per capita basis to community mental health boards.

Of the foregoing appropriation item 335-505, Local Mental Health Systems of Care, \$10,000 in each fiscal year shall be allocated to The Gathering Place in Athens.

Of the foregoing appropriation 335-505, Local Mental Health Systems of Care, \$150,000 in each fiscal year shall be used to fund family and

consumer education and support.

SECTION 335.40.40. RESIDENTIAL STATE SUPPLEMENT

The foregoing appropriation item 335-622, Residential State Supplement, shall be used to provide subsidized support for licensed adult care facilities that serve individuals with mental illness.

SECTION 337.10. DMR DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

SECTION 337.20. GENERAL ADMINISTRATION AND STATEWIDE SERVICES

General Revenue Fund			
GRF 320-321	Central Administration	\$ 9,638,610	\$ 9,638,610
GRF 320-412	Protective Services	\$ 2,792,322	\$ 2,792,322
GRF 320-415	Lease-Rental Payments	\$ 23,767,400	\$ 20,504,500
TOTAL GRF General Revenue Fund		\$ 36,198,332	\$ 32,935,432
General Services Fund Group			
4B5 320-640	Training and Service Development	\$ 100,000	\$ 100,000
TOTAL GSF General Services Fund Group		\$ 100,000	\$ 100,000
Federal Special Revenue Fund Group			
3A5 320-613	DD Council	\$ 2,705,004	\$ 2,743,630
TOTAL FED Federal Special Revenue Fund Group		\$ 2,705,004	\$ 2,743,630
State Special Revenue Fund Group			
5S2 590-622	Medicaid Administration & Oversight	\$ 11,003,855	\$ 11,472,335
TOTAL SSR State Special Revenue Fund Group		\$ 11,003,855	\$ 11,472,335
TOTAL ALL GENERAL ADMINISTRATION AND STATEWIDE SERVICES BUDGET FUND GROUPS		\$ 50,007,191	\$ 47,251,397

SECTION 337.20.10. LEASE-RENTAL PAYMENTS

The foregoing appropriation item 320-415, Lease-Rental Payments, shall be used to meet all payments at the time they are required to be made

during the period from July 1, 2007, to June 30, 2009, by the Department of Mental Retardation and Developmental Disabilities under leases and agreements made under section 154.20 of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 154. of the Revised Code.

SECTION 337.20.20. MR/DD FUTURES STUDY COMMITTEE

(A) There is hereby created the MR/DD Futures Study Committee. The Committee shall consist of the following:

(1) One member who is an individual eligible to receive services from a county board of mental retardation and developmental disabilities, appointed by the Governor;

(2) One member who is an immediate family member of an individual eligible to receive services from a county board of mental retardation and developmental disabilities, appointed by the Governor;

(3) Two members who are members of the House of Representatives, appointed by the Speaker of the House of Representatives as follows:

(a) One member from the majority party;

(b) One member from the minority party.

(4) Two members who are members of the Senate, appointed by the President of the Senate as follows:

(a) One member from the majority party;

(b) One member from the minority party.

(5) Four members of statewide advocacy organizations for individuals with mental retardation or other developmental disabilities, appointed as follows:

(a) One member by the Board of Trustees of the Arc of Ohio;

(b) One member by the Board of Directors of the Ohio League for the Mentally Retarded;

(c) One member by the Board of People First of Ohio;

(d) One member by the governing board of an organization designated by the Director of Mental Retardation and Developmental Disabilities;

(6) One member appointed by the Board of Directors of the Ohio Self-Determination Association;

(7) One member appointed by the governing authority of the Ohio Superintendents of County Boards of Mental Retardation and Developmental Disabilities Association;

(8) Two members appointed by the Board of Trustees of the Ohio Association of County Boards of Mental Retardation and Developmental Disabilities;

(9) One member appointed by the Board of Trustees of the County Commissioners' Association of Ohio;

(10) Two members appointed by the Board of Trustees of the Ohio Provider Resource Association;

(11) One member appointed by the Board of Directors of the Ohio Health Care Association;

(12) The Director of Job and Family Services or the Director's designee;

(13) Two members appointed by the Governor who are representatives of statewide labor organizations representing public employees;

(14) The Director of Mental Retardation and Developmental Disabilities, who shall serve as the committee's chairperson.

(B) The Governor shall not appoint an individual under division (A)(1) or (2) of this section if the individual is an employee of the state, an employee or member of a county board of mental retardation and developmental disabilities, or an employee or a governing board member of a provider of services to an individual with mental retardation and developmental disabilities.

(C) Members of the Committee shall be appointed not later than thirty days after the effective date of this section. Members of the Committee shall serve without compensation, except to the extent that serving on the committee is considered part of their regular employment duties. The Department of Mental Retardation and Developmental Disabilities may reimburse members of the Committee for their reasonable travel expenses.

(D) The Committee shall meet at times and locations determined by the chairperson to do all of the following:

(1) Review the effectiveness, efficiency, and sustainability of current uses of funding for the state's mental retardation and developmental disabilities system;

(2) Propose alternatives for effectively funding the nonfederal share of Medicaid expenditures for home and community-based services for individuals with mental retardation and other developmental disabilities, including the amendments by this act to sections 5123.047, 5123.048, 5123.0414, 5126.059, 5126.0510, 5126.0511, and 5126.0512 of the Revised Code.

(3) Identify the potential for reducing administrative costs in the state's mental retardation and developmental disabilities system;

(4) Propose alternatives for effectively balancing revenues available to the state and the county boards of mental retardation and developmental disabilities to fulfill their responsibilities for funding, planning, and monitoring the delivery of mental retardation and developmental disability

services;

(5) Examine the efficiency and effectiveness of the current system of separate and concurrent mental retardation and developmental disabilities accreditation, licensure, certification, quality assurance, and quality improvement activities and propose changes to improve that system;

(6) Recommend steps necessary to assure the long term financial sustainability of mental retardation and developmental disability services to meet current and future needs while affording counties the ability to make local decisions about the priority uses of local tax levy funding;

(7) Determine the feasibility and potential benefits of regional planning approaches to meet specialized and intensive service needs;

(8) Propose improvements needed and action steps to fully realize the principle of self-determination by individuals with mental retardation and other developmental disabilities;

(9) Evaluate the effectiveness and equity of the state's mental retardation and developmental disabilities systems' uses of waiting and service substitution lists, priority populations, and having separate acuity instruments that vary by service setting;

(10) Review other matters the Director of Mental Retardation and Developmental Disabilities considers appropriate for evaluations.

(E) The Committee shall not transact business unless a quorum is present. A majority of the Committee members constitutes a quorum.

(F) Not later than March 30, 2008, the Committee shall submit a report on its actions and recommendations to the Governor and General Assembly. The Committee shall cease to exist on submission of the report.

SECTION 337.30. COMMUNITY SERVICES

General Revenue Fund

GRF 322-413	Residential and Support Services	\$	6,753,881	\$	6,753,881
GRF 322-416	Medicaid Waiver - State Match	\$	109,551,380	\$	109,551,380
GRF 322-451	Family Support Services	\$	6,938,898	\$	6,938,898
GRF 322-501	County Boards Subsidies	\$	87,270,048	\$	87,270,048
GRF 322-503	Tax Equity	\$	14,000,000	\$	14,000,000
GRF 322-504	Martin Settlement	\$	6,159,766	\$	29,036,451
TOTAL GRF General Revenue Fund		\$	230,673,973	\$	253,550,658

General Services Fund Group

488 322-603	Provider Audit Refunds	\$	10,000	\$	10,000
5MO 322-628	Martin Settlement	\$	150,000	\$	0
TOTAL GSF General Services Fund Group		\$	160,000	\$	10,000

Federal Special Revenue Fund Group

Am. Sub. H. B. No. 119

1705

3G6	322-639	Medicaid Waiver - Federal	\$	456,311,171	\$	506,618,829
3M7	322-650	CAFS Medicaid	\$	4,278,713	\$	0
325	322-612	Community Social Service Programs	\$	11,186,114	\$	11,164,639
TOTAL FED Federal Special Revenue Fund Group			\$	471,775,998	\$	517,783,468
State Special Revenue Fund Group						
4K8	322-604	Medicaid Waiver - State Match	\$	12,000,000	\$	12,000,000
5DJ	322-625	Targeted Case Management Match	\$	11,082,857	\$	11,470,757
5DJ	322-626	Targeted Case Management Services	\$	27,548,737	\$	28,512,943
5EV	322-627	Program Fees	\$	20,000	\$	20,000
5H0	322-619	Medicaid Repayment	\$	10,000	\$	10,000
5Z1	322-624	County Board Waiver Match	\$	116,000,000	\$	126,000,000
TOTAL SSR State Special Revenue Fund Group			\$	166,661,594	\$	178,013,700
TOTAL ALL COMMUNITY SERVICES BUDGET FUND GROUPS			\$	869,271,565	\$	949,357,826

SECTION 337.30.10. 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 Sermak Class Services used to implement the requirements of the agreement settling the condecree in *Sermak v. Manuel*, Case No. c-2-80-220, United States District Court for the Southern District of Ohio, Eastern Division.

SECTION 337.30.20. 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, and the appropriation for supported living in appropriation item 322-501, County Board Subsidy, 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.

SECTION 337.30.30. MEDICAID WAIVER - STATE MATCH (GRF)

Except as otherwise provided in section 5123.0416 of the Revised Code, the purposes for which the foregoing appropriation item 322-416, Medicaid 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) To pay the nonfederal share of the cost of one or more new intermediate care facility for the mentally retarded certified beds, if the Director of Mental Retardation and Developmental Disabilities is required by this act to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

Except as otherwise provided in section 5123.0416 of the Revised Code, the Department of Mental Retardation and Developmental Disabilities may designate a portion of appropriation item 322-416, Medicaid 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.

SECTION 337.30.40. STATE SUBSIDY TO COUNTY MR/DD BOARDS

Except as otherwise provided in Section 337.40.30 of this act, the Department of Mental Retardation and Developmental Disabilities shall use the foregoing appropriation item 322-501, County Boards Subsidy, to pay each county board of mental retardation and developmental disabilities in each fiscal year of the biennium an amount that is equal to the amount such board received in fiscal year 2007 from former appropriation items 322-417, Supported Living; 322-452, Service and Support Administration; and 322-501, County Boards Subsidies.

Except as otherwise provided in section 5126.0511 of the Revised Code, county boards shall use the subsidy for early childhood services and adult services provided under section 5126.05 of the Revised Code, service and support administration provided under section 5126.15 of the Revised Code, and supported living as defined in section 5126.01 of the Revised Code.

In the event that the appropriation in appropriation item 322-501, County Board Subsidy, for fiscal year 2008 or fiscal year 2009 is greater than the subsidy paid by the Department for fiscal year 2007 from former

appropriation items 332-417, Supported Living; 322-452, Services and Support Administration; and 322-501, County Boards Subsidies, the Department and county boards shall develop a formula for allocating the additional appropriation to each county board to support priorities determined by the Department and county boards.

The Department shall distribute this subsidy to county boards in quarterly installments of equal amounts. The installments shall be made not later than the thirtieth day of September, the thirty-first day of December, the thirty-first day of March, and thirtieth day of June.

The Department also may use the foregoing appropriation item 322-501, County Boards Subsidy, to pay the nonfederal share of the cost of one or more new intermediate care facility for the mentally retarded certified beds, if the Director of Mental Retardation and Developmental Disabilities is required by this act to transfer to the Director of Job and Family Services funds to pay such nonfederal share.

SECTION 337.30.43. TAX EQUITY

Notwithstanding section 5126.18 of the Revised Code, if a county board of mental retardation and developmental disabilities received a tax equity payment in fiscal year 2007, but would not receive such a payment in fiscal years 2008 and 2009, the Department of Mental Retardation and Developmental Disabilities shall use the foregoing appropriation item 322-503, Tax Equity, to pay each such board in each fiscal year of the biennium an amount that is equal to the tax equity payment the board received in fiscal year 2007 or \$25,000, whichever is less. The Department shall use the remainder of the appropriation item to make tax equity payments in accordance with section 5126.18 of the Revised Code.

SECTION 337.30.45. MARTIN CONSENT ORDER COMPLIANCE

To comply with the Martin Consent Order, on July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$150,000 in cash from the General Revenue Fund to the Program Income Fund (FUND 5MO).

SECTION 337.30.50. MEDICAID WAIVER - STATE MATCH (FUND 4K8)

The foregoing appropriation item 322-604, Medicaid Waiver - State Match (Fund 4K8), shall be used as state matching funds for the home and

community-based waivers.

SECTION 337.30.60. TARGETED CASE MANAGEMENT SERVICES

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. The Director of Mental Retardation and Developmental Disabilities shall withhold any amount owed to the Department from subsequent disbursements from any appropriation item or money otherwise due to a nonpaying county.

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 paid by county boards and the Department of Job and Family Services shall pay the total cost of targeted case management claims.

SECTION 337.30.70. TRANSFER TO PROGRAM FEE FUND

On July 1, 2007, or as soon as possible thereafter, the Director of Mental Retardation and Developmental Disabilities shall certify to the Director of Budget and Management the amount of cash that has been deposited into Fund 4B5, Conference/Training, pursuant to sections 5123.19 and 5126.25 of the Revised Code, less the amount that has been expended from Fund 4B5 to operate the Certification and Registration Program established under section 5126.25 of the Revised Code and to license and inspect residential facilities as outlined in section 5123.19 of the Revised Code. The certified amount shall not include amounts deposited into Fund 4B5 for training and conferences conducted by the Department of Mental Retardation and Developmental Disabilities. Upon receipt of the certification, the Director of Budget and Management shall transfer cash equal to the amount certified and all associated liabilities and obligations to Fund 5EV, Program Fee Fund, in the Department of Mental Retardation and Developmental Disabilities.

SECTION 337.30.80. DEVELOPMENTAL CENTER BILLING FOR SERVICES

Developmental centers of the Department of Mental Retardation and

Developmental Disabilities may provide services to persons with mental retardation or developmental disabilities living in the community or to providers of services to these persons. The Department may develop a method for recovery of all costs associated with the provisions of these services.

SECTION 337.40. RESIDENTIAL FACILITIES

General Revenue Fund

GRF 323-321	Developmental Center and Residential Facilities	\$	102,796,851	\$	102,796,851
	Operation Expenses				

TOTAL GRF General Revenue Fund		\$	102,796,851	\$	102,796,851
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General Services Fund Group

152 323-609	Developmental Center and Residential Operating Services	\$	912,177	\$	912,177
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TOTAL GSF General Services Fund Group		\$	912,177	\$	912,177
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Federal Special Revenue Fund Group

3A4 323-605	Developmental Center and Residential Facility Services and Support	\$	136,299,536	\$	137,555,308
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TOTAL FED Federal Special Revenue Fund Group		\$	136,299,536	\$	137,555,308
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State Special Revenue Fund Group

221 322-620	Supplement Service Trust	\$	150,000	\$	150,000
489 323-632	Developmental Center Direct Care Support	\$	14,543,764	\$	14,671,616

TOTAL SSR State Special Revenue Fund Group		\$	14,693,764	\$	14,821,616
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TOTAL ALL RESIDENTIAL FACILITIES

BUDGET FUND GROUPS		\$	254,702,328	\$	256,085,952
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DEPARTMENT TOTAL

GENERAL REVENUE FUND		\$	369,669,156	\$	389,282,941
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DEPARTMENT TOTAL

GENERAL SERVICES FUND GROUP		\$	1,172,177	\$	1,022,177
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DEPARTMENT TOTAL

FEDERAL SPECIAL REVENUE FUND GROUP		\$	610,780,538	\$	658,082,406
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GROUP

DEPARTMENT TOTAL

STATE SPECIAL REVENUE FUND GROUP		\$	192,359,213	\$	204,307,651
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TOTAL DEPARTMENT OF MENTAL

RETARDATION AND DEVELOPMENTAL		\$	1,173,981,084	\$	1,252,695,175
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DISABILITIES

SECTION 337.40.10. TRANSFER OF FUNDS FOR DEVELOPMENTAL CENTER PHARMACY PROGRAMS

The Department of Mental Retardation and Developmental Disabilities shall pay the Department of Job and Family Services quarterly, through intrastate transfer voucher, the nonfederal share of Medicaid prescription drug claim costs for all developmental centers paid by the Department of Job and Family Services.

SECTION 337.40.15. GALLIPOLIS DEVELOPMENTAL CENTER PILOT PROGRAM

The Director of Mental Retardation and Developmental Disabilities shall establish, as part of the Individual Options Medicaid Waiver program, a pilot program to be operated during calendar year 2009 under which the Gallipolis Developmental Center provides home and community-based services under the Individual Options Medicaid waiver program to not more than ten individuals at one time. Money shall be expended on the pilot program beginning in the first half of calendar year 2009.

The pilot program shall be operated in a manner consistent with the terms of the consent order filed March 5, 2007, in *Martin v. Strickland*, Case No. 89-CV-00362, in the United States District Court for the Southern District of Ohio, Eastern Division. The pilot program also shall be operated in accordance with the federal Medicaid waiver authorizing the Individual Options Medicaid waiver program. Only individuals eligible for the Individual Options Medicaid waiver program who volunteer to receive home and community-based services under the Individual Options Medicaid waiver program from the Gallipolis Developmental Center may participate in the pilot program. The Director of Mental Retardation and Developmental Disabilities and the Director of Job and Family Services shall provide the Gallipolis Developmental Center technical assistance the Center needs regarding the pilot program.

All expenses the Gallipolis Developmental Center incurs in participating in the pilot program shall be paid from the Medicaid payments the Center receives for providing home and community-based services under the program.

The Director of Mental Retardation and Developmental Disabilities shall conduct an evaluation of the pilot program, including an evaluation of the quality and effectiveness of the home and community-based services the Gallipolis Developmental Center provides under the pilot program. The Director shall submit a report of the evaluation to the Governor and the General Assembly not later than April 1, 2010. The Director shall include in the report recommendations for or against permitting the Gallipolis Developmental Center to continue to provide home and community-based

services under the Individual Options Medicaid waiver program and permitting other developmental centers to begin to provide these services.

SECTION 337.40.20. NONFEDERAL MATCH FOR ACTIVE TREATMENT SERVICES

Any county funds received by the Department from county boards for active treatment shall be deposited in Fund 489, Mental Retardation Operating.

SECTION 337.40.30. NONFEDERAL SHARE OF NEW ICF/MR BEDS

(A) As used in this section, "intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

(B) If one or more new beds obtain certification as an intermediate care facility for the mentally retarded bed on or after July 1, 2007, the Director of Mental Retardation and Developmental Disabilities shall transfer funds to the Department of Job and Family Services to pay the nonfederal share of the cost under the Medicaid Program for those beds. Except as otherwise provided in section 5123.0416 of the Revised Code, the Director shall use only the following funds for the transfer:

(1) Funds appropriated to the Department of Mental Retardation and Developmental Disabilities in appropriation item 322-416, Medicaid Waiver - State Match;

(2) Funds appropriated to the Department in appropriation item 322-501, County Boards Subsidies.

(C) If the beds are located in a county served by a county board of mental retardation and developmental disabilities that initiates or supports the beds' certification, the funds that the Director transfers under division (B) of this section shall be funds that the Director has allocated to the county board serving the county in which the beds are located unless the amount of the allocation is insufficient to pay the entire nonfederal share of the cost under the Medicaid Program for those beds. If the allocation is insufficient, the Director shall use as much of such funds allocated to other counties as is needed to make up the difference.

SECTION 339.10. MIH COMMISSION ON MINORITY HEALTH

General Revenue Fund

GRF 149-321	Operating Expenses	\$	550,211	\$	561,216
GRF 149-501	Minority Health Grants	\$	670,965	\$	1,670,965
GRF 149-502	Lupus Program	\$	136,126	\$	136,126

Am. Sub. H. B. No. 119

1712

TOTAL GRF General Revenue Fund	\$	1,357,302	\$	2,368,307
Federal Special Revenue Fund Group				
3J9 149-602 Federal Grants	\$	457,486	\$	320,297
TOTAL FED Federal Special Revenue Fund Group	\$	457,486	\$	320,297
State Special Revenue Fund Group				
4C2 149-601 Minority Health Conference	\$	150,000	\$	150,000
TOTAL SSR State Special Revenue Fund Group	\$	150,000	\$	150,000
TOTAL ALL BUDGET FUND GROUPS	\$	1,964,788	\$	2,838,604

SECTION 341.10. CRB MOTOR VEHICLE COLLISION REPAIR REGISTRATION BOARD

General Service Fund Group

4K9 865-601 Operating Expenses	\$	334,995	\$	334,995
TOTAL GSF General Services Fund Group	\$	334,995	\$	334,995
TOTAL ALL BUDGET FUND GROUPS	\$	334,995	\$	334,995

CASH TRANSFER TO OCCUPATIONAL LICENSING AND REGULATORY FUND (FUND 4K9)

Effective July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management may transfer the cash balance in the Motor Vehicle Collision Repair Registration Fund (Fund 5H9), created in division (A) of section 4775.08 of the Revised Code, to the Occupational Licensing and Regulatory Fund (Fund 4K9), created in section 4743.05 of the Revised Code. The Director may cancel any existing encumbrances against appropriation item 865-609, Operating Expenses – CRB, in Fund 5H9, and re-establish them against appropriation item 865-601, Operating Expenses, in Fund 4K9. The amounts of the re-established encumbrances are hereby appropriated. The Motor Vehicle Collision Repair Registration Fund (Fund 5H9), created in division (A) of section 4775.08 of the Revised Code, is hereby abolished.

SECTION 343.10. DNR DEPARTMENT OF NATURAL RESOURCES

General Revenue Fund

GRF 725-401 Wildlife-GRF Central Support	\$	2,705,950	\$	2,800,930
GRF 725-404 Fountain Square Rental Payments - OBA	\$	1,094,900	\$	1,081,200
GRF 725-407 Conservation Reserve Enhancement Program	\$	1,000,000	\$	1,000,000
GRF 725-413 Lease Rental Payments	\$	19,589,400	\$	18,316,200
GRF 725-423 Stream and Ground Water Gauging	\$	311,910	\$	311,910
GRF 725-425 Wildlife License Reimbursement	\$	500,000	\$	400,000

Am. Sub. H. B. No. 119

1713

GRF 725-456	Canal Lands	\$	332,859	\$	332,859	
GRF 725-502	Soil and Water Districts	\$	12,237,420	\$	12,895,791	
GRF 725-903	Natural Resources General Obligation Debt Service	\$	24,713,800	\$	25,723,000	
GRF 727-321	Division of Forestry	\$	8,541,511	\$	8,541,511	
GRF 728-321	Division of Geological Survey	\$	1,799,222	\$	1,825,150	
GRF 729-321	Office of Information Technology	\$	440,895	\$	440,895	
GRF 730-321	Division of Parks and Recreation	\$	39,874,841	\$	39,874,841	
GRF 733-321	Division of Water	\$	3,207,619	\$	3,257,619	
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	\$	3,220,000	\$	3,050,000	
GRF 744-321	Division of Mineral Resources Management	\$	3,068,167	\$	3,068,167	
TOTAL GRF	General Revenue Fund	\$	132,123,859	\$	132,405,438	
General Services Fund Group						
155	725-601	Departmental Projects	\$	2,259,402	\$	2,260,021
157	725-651	Central Support Indirect	\$	6,228,950	\$	6,528,675
204	725-687	Information Services	\$	4,676,627	\$	4,676,627
207	725-690	Real Estate Services	\$	64,000	\$	64,000
223	725-665	Law Enforcement Administration	\$	2,230,485	\$	2,358,307
227	725-406	Parks Projects Personnel	\$	110,000	\$	110,000
4D5	725-618	Recycled Materials	\$	50,000	\$	50,000
4S9	725-622	NatureWorks Personnel	\$	525,000	\$	525,000
4X8	725-662	Water Resources Council	\$	125,000	\$	125,000
430	725-671	Canal Lands	\$	1,150,082	\$	1,150,082
508	725-684	Natural Resources Publications	\$	148,527	\$	148,280
510	725-631	Maintenance - State-owned Residences	\$	353,611	\$	303,611
516	725-620	Water Management	\$	2,913,618	\$	2,931,513
635	725-664	Fountain Square Facilities Management	\$	3,609,835	\$	3,640,398
697	725-670	Submerged Lands	\$	751,342	\$	772,011
TOTAL GSF	General Services Fund Group	\$	25,196,479	\$	25,643,525	
Federal Special Revenue Fund Group						
3B3	725-640	Federal Forest Pass-Thru	\$	225,000	\$	225,000
3B4	725-641	Federal Flood Pass-Thru	\$	490,000	\$	490,000
3B5	725-645	Federal Abandoned Mine Lands	\$	14,307,664	\$	14,307,667
3B6	725-653	Federal Land and Water Conservation Grants	\$	2,000,000	\$	2,000,000
3B7	725-654	Reclamation - Regulatory	\$	2,107,291	\$	2,107,292
3P0	725-630	Natural Areas and Preserves - Federal	\$	215,000	\$	215,000
3P1	725-632	Geological Survey - Federal	\$	655,000	\$	720,000

Am. Sub. H. B. No. 119

1714

3P2	725-642	Oil and Gas-Federal	\$	226,961	\$	234,509
3P3	725-650	Coastal Management - Federal	\$	2,643,323	\$	1,691,237
3P4	725-660	Water - Federal	\$	316,304	\$	316,734
3R5	725-673	Acid Mine Drainage Abatement/Treatment	\$	1,999,998	\$	2,025,001
3Z5	725-657	REALM-Federal	\$	1,850,000	\$	1,850,000
332	725-669	Federal Mine Safety Grant	\$	258,102	\$	258,102
TOTAL FED Federal Special Revenue						
Fund Group			\$	27,294,643	\$	26,440,542
State Special Revenue Fund Group						
4J2	725-628	Injection Well Review	\$	67,578	\$	68,933
4M7	725-631	Wildfire Suppression	\$	70,000	\$	0
4M7	725-686	Wildfire Suppression	\$	100,000	\$	100,000
4U6	725-668	Scenic Rivers Protection	\$	407,100	\$	407,100
5BV	725-683	Soil and Water Districts	\$	1,850,000	\$	1,850,000
5B3	725-674	Mining Regulation	\$	28,850	\$	28,850
5K1	725-626	Urban Forestry Grant	\$	10,000	\$	12,000
5P2	725-634	Wildlife Boater Angler Administration	\$	3,500,000	\$	3,500,000
509	725-602	State Forest	\$	5,070,946	\$	5,211,924
511	725-646	Ohio Geological Mapping	\$	815,179	\$	724,310
512	725-605	State Parks Operations	\$	27,314,288	\$	27,314,288
512	725-680	Parks Facilities Maintenance	\$	2,576,240	\$	2,576,240
514	725-606	Lake Erie Shoreline	\$	917,113	\$	757,113
518	725-643	Oil and Gas Permit Fees	\$	2,574,378	\$	2,586,568
518	725-677	Oil and Gas Well Plugging	\$	800,000	\$	800,000
521	725-627	Off-Road Vehicle Trails	\$	198,490	\$	143,490
522	725-656	Natural Areas and Preserves	\$	1,550,670	\$	1,550,670
526	725-610	Strip Mining Administration Fee	\$	1,932,491	\$	1,903,871
527	725-637	Surface Mining Administration	\$	1,852,842	\$	1,946,591
529	725-639	Unreclaimed Land Fund	\$	2,892,516	\$	2,024,257
531	725-648	Reclamation Forfeiture	\$	2,062,234	\$	2,062,237
532	725-644	Litter Control and Recycling	\$	6,280,681	\$	6,280,681
586	725-633	Scrap Tire Program	\$	1,000,000	\$	1,000,000
615	725-661	Dam Safety	\$	548,223	\$	595,416
TOTAL SSR State Special Revenue						
Fund Group			\$	64,419,819	\$	63,444,539
Clean Ohio Conservation Fund Group						
061	725-405	Clean Ohio Operating	\$	155,000	\$	155,000
TOTAL CLF Clean Ohio Conservation Fund Group			\$	155,000	\$	155,000
Wildlife Fund Group						
015	740-401	Division of Wildlife Conservation	\$	53,706,000	\$	54,906,000
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

Am. Sub. H. B. No. 119

1715

819	725-685	Ohio River Management	\$	128,584	\$	128,584
TOTAL WLF Wildlife Fund Group			\$	61,421,918	\$	62,621,918
Waterways Safety Fund Group						
086	725-414	Waterways Improvement	\$	3,925,075	\$	4,062,452
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	\$	19,626,681	\$	20,166,681
5AW	725-682	Watercraft Revolving Loans	\$	1,000,000	\$	1,000,000
TOTAL WSF Waterways Safety Fund Group			\$	25,684,601	\$	26,361,978
Holding Account Redistribution Fund Group						
R17	725-659	Performance Cash Bond Refunds	\$	279,263	\$	279,263
R43	725-624	Forestry	\$	1,950,188	\$	2,007,977
TOTAL 090 Holding Account Redistribution Fund Group			\$	2,229,451	\$	2,287,240
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			\$	338,546,614	\$	339,381,024

SECTION 343.20. CENTRAL SUPPORT INDIRECT

With the exception of the Division of Wildlife, whose direct and indirect central support charges shall be paid out of the General Revenue Fund from the foregoing appropriation item 725-401, Wildlife-GRF Central Support, the Department of Natural Resources, with approval of the Director of Budget and Management, shall utilize a methodology for determining each division's payments into the Central Support Indirect Fund (Fund 157). The methodology used shall contain the characteristics of administrative ease and uniform application in compliance with federal grant requirements. It may include direct cost charges for specific services provided. Payments to the Central Support Indirect Fund (Fund 157) shall be made using an intrastate transfer voucher.

SECTION 343.30. FOUNTAIN SQUARE

The foregoing appropriation item 725-404, Fountain Square Rental Payments - OBA, shall be used by the Department of Natural Resources to meet all payments required to be made to the Ohio Building Authority during the period from July 1, 2007, to June 30, 2009, pursuant to leases and agreements with the Ohio Building Authority under section 152.42 of the Revised Code. These appropriations are the source of funds pledged for

bond service charges on obligations issued pursuant to Chapter 152. of the Revised Code.

The Director of Natural Resources, using intrastate transfer vouchers, shall make payments to the General Revenue Fund from funds other than the General Revenue Fund to reimburse the General Revenue Fund for the other funds' shares of the lease rental payments to the Ohio Building Authority. The transfers from the non-General Revenue funds shall be made within 10 days of the payment to the Ohio Building Authority for the actual amounts necessary to fulfill the leases and agreements pursuant to section 152.241 of the Revised Code.

The foregoing appropriation item 725-664, Fountain Square Facilities Management (Fund 635), shall be used for payment of repairs, renovation, utilities, property management, and building maintenance expenses for the Fountain Square Complex. Cash transferred by intrastate transfer vouchers from various department funds and rental income received by the Department of Natural Resources shall be deposited into the Fountain Square Facilities Management Fund (Fund 635).

LEASE RENTAL PAYMENTS

The foregoing appropriation item 725-413, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Department of Natural Resources pursuant to leases and agreements made under section 154.22 of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 154. of the Revised Code.

NATURAL RESOURCES GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 725-903, Natural Resources General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period July 1, 2007, to June 30, 2009, on obligations issued under sections 151.01 and 151.05 of the Revised Code.

SECTION 343.33. SPECIAL NEEDS PARK AND PLAY AREA

Of the foregoing GRF appropriation item 741-321, Division of Natural Areas and Preserves, \$170,000 in fiscal year 2008 shall be used by the City of Stow for the construction of a special needs play area and park facility.

SECTION 343.40. 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.

Of the foregoing appropriation item 725-683, Soil and Water Districts, \$220,000 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, \$125,000 in each fiscal year shall be used for the Indian Lake Watershed in Logan County.

Of the foregoing appropriation item 725-683, Soil and Water Districts, \$100,000 in each fiscal year shall be used as state matching dollars for soil

and water quality improvements utilizing best management practices in the Grand Lake St. Marys watershed.

Of the foregoing appropriation item 725-502, Soil and Water Districts, \$50,000 in each fiscal year shall be used for the Conservation Action Project.

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.

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.

WATERWAYS IMPROVEMENTS

Of the foregoing appropriation item 725-414, Waterways Improvement, \$50,000 in each fiscal year shall be used for dredging operations at Fairport Harbor.

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 \$1,000,000 in fiscal year 2008 and not to exceed \$1,000,000 in fiscal year 2009 so certified from the Waterways Safety Fund (Fund 086) to the Watercraft Revolving Loans Fund (Fund 5AW). The moneys shall be used pursuant to sections 1547.721 to 1547.726 of the Revised Code.

PARKS CAPITAL EXPENSES FUND

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.

CAPITAL EXPENSES FUND

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 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 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 Capital Expenses Fund (Fund 4S9), and shall be reimbursed by the Ohio Parks and Natural Resources Fund (Fund 031) using an intrastate voucher.

FUND CONSOLIDATION

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance as certified by the Director of Natural Resources from the Federal Forestry Fund (Fund 328) to the State Forest Fund (Fund 509). The Director shall cancel any remaining

outstanding encumbrances against appropriation item 725-603, Forestry-Federal, and re-establish them against appropriation item 725-602, State Forest. The amounts of any encumbrances canceled and re-established are hereby appropriated.

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance as certified by the Director of Natural Resources from the REALM Support Services Fund (Fund 206) to the Fountain Square Facilities Management Fund (Fund 635). The Director shall cancel any remaining outstanding encumbrances against appropriation item 725-689, REALM Support Services, and re-establish them against appropriation item 725-664, Fountain Square Facilities Management. The amounts of any encumbrances canceled and re-established are hereby appropriated.

STATE PARK OPERATING

All proceeds from insurance companies and any other sources for the replacement and construction of the Lake Hope Lodge and its appurtenances shall be deposited into the State Park Operating Fund (Fund 512).

SECTION 345.10. NUR STATE BOARD OF NURSING

General Services Fund Group

4K9 884-609	Operating Expenses	\$	5,661,280	\$	5,661,280
5P8 884-601	Nursing Special Issues	\$	5,000	\$	5,000
5AC 884-602	Nurse Education Grant Program	\$	1,450,000	\$	1,450,000
TOTAL GSF General Services Fund Group					
		\$	7,116,280	\$	7,116,280
TOTAL ALL BUDGET FUND GROUPS					
		\$	7,116,280	\$	7,116,280

NURSING SPECIAL ISSUES

The foregoing appropriation item 884-601, Nursing Special Issues (Fund 5P8), shall be used to pay the costs the Board of Nursing incurs in implementing section 4723.062 of the Revised Code.

SECTION 347.10. PYT OCCUPATIONAL THERAPY, PHYSICAL THERAPY, AND ATHLETIC TRAINERS BOARD

General Services Fund Group

4K9 890-609	Operating Expenses	\$	892,241	\$	963,984
TOTAL GSF General Services Fund Group					
		\$	892,241	\$	963,984
TOTAL ALL BUDGET FUND GROUPS					
		\$	892,241	\$	963,984

SECTION 349.10. OLA OHIOANA LIBRARY ASSOCIATION General Revenue Fund

Am. Sub. H. B. No. 119

1721

GRF 355-501 Library Subsidy	\$	200,000	\$	200,000
TOTAL GRF General Revenue Fund	\$	200,000	\$	200,000
TOTAL ALL BUDGET FUND GROUPS	\$	200,000	\$	200,000

SECTION 351.10. ODB OHIO OPTICAL DISPENSERS BOARD

General Services Fund Group

4K9 894-609 Operating Expenses	\$	333,656	\$	345,324
TOTAL GSF General Services Fund Group	\$	333,656	\$	345,324
TOTAL ALL BUDGET FUND GROUPS	\$	333,656	\$	345,324

SECTION 353.10. OPT STATE BOARD OF OPTOMETRY

General Services Fund Group

4K9 885-609 Operating Expenses	\$	344,571	\$	351,071
TOTAL GSF General Services Fund Group	\$	344,571	\$	351,071
TOTAL ALL BUDGET FUND GROUPS	\$	344,571	\$	351,071

SECTION 355.10. OPP STATE BOARD OF ORTHOTICS, PROSTHETICS, AND PEDORTHICS

General Services Fund Group

4K9973-609 Operating Expenses	\$	111,300	\$	116,260
TOTAL GSF General Services Fund Group	\$	111,300	\$	116,260
TOTAL ALL BUDGET FUND GROUPS	\$	111,300	\$	116,260

SECTION 357.10. PBR STATE PERSONNEL BOARD OF REVIEW

General Revenue Fund

GRF 124-321 Operating	\$	1,148,181	\$	1,201,643
TOTAL GRF General Revenue Fund	\$	1,148,181	\$	1,201,643

General Services Fund Group

636 124-601 Records and Reporting Support	\$	15,000	\$	15,000
TOTAL GSF General Services Fund Group	\$	15,000	\$	15,000
TOTAL ALL BUDGET FUND GROUPS	\$	1,163,181	\$	1,216,643

SECTION 359.10. UST PETROLEUM UNDERGROUND STORAGE TANK

Agency Fund Group

Am. Sub. H. B. No. 119

1722

691 810-632	PUSTRCB Staff	\$	1,116,658	\$	1,169,181
TOTAL AGY Agency Fund Group		\$	1,116,658	\$	1,169,181
TOTAL ALL BUDGET FUND GROUPS		\$	1,116,658	\$	1,169,181

SECTION 361.10. PRX STATE BOARD OF PHARMACY

General Services Fund Group

4A5 887-605	Drug Law Enforcement	\$	75,550	\$	75,550
4K9 887-609	Operating Expenses	\$	4,874,572	\$	5,251,032
TOTAL GSF General Services Fund Group		\$	4,950,122	\$	5,326,582

Federal Special Revenue Fund Group

3BC 887-604	Dangerous Drugs Database	\$	558,531	\$	491,405
TOTAL FED Federal Special Revenue Fund Group		\$	558,531	\$	491,405
TOTAL ALL BUDGET FUND GROUPS		\$	5,508,653	\$	5,817,987

SECTION 363.10. PSY STATE BOARD OF PSYCHOLOGY

General Services Fund Group

4K9 882-609	Operating Expenses	\$	586,565	\$	586,565
TOTAL GSF General Services Fund Group		\$	586,565	\$	586,565
TOTAL ALL BUDGET FUND GROUPS		\$	586,565	\$	586,565

SECTION 365.10. PUB OHIO PUBLIC DEFENDER COMMISSION

General Revenue Fund

GRF 019-321	Public Defender Administration	\$	1,287,404	\$	1,315,150
GRF 019-401	State Legal Defense Services	\$	5,914,023	\$	6,120,592
GRF 019-403	Multi-County: State Share	\$	766,402	\$	762,727
GRF 019-404	Trumbull County - State Share	\$	244,816	\$	243,650
GRF 019-405	Training Account	\$	31,324	\$	31,324
GRF 019-501	County Reimbursement	\$	29,834,251	\$	29,572,857
TOTAL GRF General Revenue Fund		\$	38,078,220	\$	38,046,300

General Services Fund Group

101 019-602	Inmate Legal Assistance	\$	33,338	\$	34,638
407 019-604	County Representation	\$	219,800	\$	227,500
408 019-605	Client Payments	\$	611,537	\$	476,760
5CX 019-617	Civil Case Filing Fee	\$	409,237	\$	598,400
TOTAL GSF General Services Fund Group		\$	1,273,912	\$	1,337,298

Federal Special Revenue Fund Group

3S8 019-608	Federal Representation	\$	350,948	\$	364,917
TOTAL FED Federal Special Revenue Fund Group		\$	350,948	\$	364,917

State Special Revenue Fund Group

4C7 019-601	Multi-County: County Share	\$	2,181,300	\$	2,288,200
4X7 019-610	Trumbull County - County Share	\$	696,800	\$	731,000

Am. Sub. H. B. No. 119

1723

574 019-606 Civil Legal Aid	\$	40,000,000	\$	40,000,000
TOTAL SSR State Special Revenue				
Fund Group	\$	42,878,100	\$	43,019,200
TOTAL ALL BUDGET FUND GROUPS	\$	82,581,180	\$	82,767,715

INDIGENT DEFENSE OFFICE

The foregoing appropriation items 019-404, Trumbull County - State Share, and 019-610, Trumbull County - County Share, shall be used to support an indigent defense office for Trumbull County.

MULTI-COUNTY OFFICE

The foregoing appropriation items 019-403, Multi-County: State Share, and 019-601, Multi-County: County Share, shall be used to support the Office of the Ohio Public Defender's Multi-County Branch Office Program.

TRAINING ACCOUNT

The foregoing appropriation item 019-405, Training Account, shall be used by the Ohio Public Defender to provide legal training programs at no cost for private appointed counsel who represent at least one indigent defendant at no cost and for state and county public defenders and attorneys who contract with the Ohio Public Defender to provide indigent defense services.

FEDERAL REPRESENTATION

The foregoing appropriation item 019-608, Federal Representation, shall be used to receive reimbursements from the federal courts when the Ohio Public Defender provides representation in federal court cases and to support representation in such cases.

SECTION 367.10. DHS DEPARTMENT OF PUBLIC SAFETY

General Revenue Fund

GRF 763-403 Operating Expenses - EMA	\$	4,164,697	\$	4,164,697
GRF 768-424 Operating Expenses - CJS	\$	814,478	\$	814,478
GRF 769-321 Food Stamp Trafficking Enforcement Operations	\$	752,000	\$	752,000
TOTAL GRF General Revenue Fund	\$	5,731,175	\$	5,731,175

General Services Fund Group

5ET 768-625 Drug Law Enforcement	\$	800,000	\$	800,000
TOTAL GSF General Services Fund Group	\$	800,000	\$	800,000

State Special Revenue Fund Group

5CC 768-607 Public Safety Services	\$	125,000	\$	125,000
5EX 768-690 Disaster Preparedness	\$	350,000	\$	350,000
TOTAL SSR State Special Revenue Fund Group	\$	475,000	\$	475,000

Tobacco Master Settlement Agreement Fund Group

L87 767-406 Under-Age Tobacco Use Enforcement	\$	0	\$	375,000
TOTAL TSF Tobacco Master Settlement	\$	0	\$	375,000

Agreement Fund Group

TOTAL ALL BUDGET FUND GROUPS \$ 7,006,175 \$ 7,381,175

OHIO TASK FORCE ONE - URBAN SEARCH AND RESCUE UNIT

Of the foregoing appropriation item 763-403, Operating Expenses - EMA, \$200,000 in each fiscal year shall be used to fund the Ohio Task Force One - Urban Search and Rescue Unit and other urban search and rescue programs around the state to create a stronger search and rescue capability statewide.

STATE FIRE MARSHAL FUND CASH TRANSFERS

Notwithstanding section 3737.71 of the Revised Code, on July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$125,000 in cash from the State Fire Marshal Fund (Fund 546) in the Department of Commerce to the Public Safety Services Fund (Fund 5CC) in the Department of Public Safety.

Notwithstanding section 3737.71 of the Revised Code, on July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$125,000 in cash from the State Fire Marshal Fund (Fund 546) in the Department of Commerce to the Public Safety Services Fund (Fund 5CC) in the Department of Public Safety.

SOUTHERN OHIO DRUG TASK FORCE

The foregoing appropriation item 768-607, Public Safety Services, shall be distributed by the Division of Criminal Justice Services in the Department of Public Safety directly to the Southern Ohio Drug Task Force.

EMA DISASTER PREPAREDNESS AND RESPONSE GRANT

Of the foregoing appropriation item 768-690, Disaster Preparedness, \$275,000 in fiscal year 2008 and \$350,000 in fiscal year 2009 shall be used for a grant to the American Red Cross Greater Columbus Chapter for implementation of programs to assist in disaster preparedness and response throughout Ohio. The American Red Cross Greater Columbus Chapter shall develop a funding plan that includes programmatic, infrastructure, and administrative costs. Moneys shall be released to the American Red Cross Greater Columbus Chapter not more than 45 days after submission of the plan to the Ohio Emergency Management Agency. Of the foregoing appropriation item 768-690, Disaster Preparedness, \$75,000 in fiscal year 2008 shall be used for the Fire and Emergency Services Regionalization Project of Berea and Olmstead Falls.

CASH TRANSFER TO THE DRUG LAW ENFORCEMENT FUND

Notwithstanding any other provision of law to the contrary, on the first of July in each of 2007 and 2008, or as soon as practicable thereafter in each of those years, the Director of Budget and Management shall transfer \$800,000 in cash from the Charitable Foundations Fund (Fund 418) to the

Drug Law Enforcement Fund (Fund 5ET).

The foregoing appropriation item 768-625, Drug Law Enforcement, shall be used by the Division of Criminal Justice Services of the Department of Public Safety for the purpose of awarding grants to local law enforcement agencies and local law enforcement task forces with regard to the enforcement of state drug laws and other state laws related to illegal drug activity.

SECTION 369.10. PUC PUBLIC UTILITIES COMMISSION OF OHIO

General Services Fund Group

5F6	870-622	Utility and Railroad Regulation	\$	32,820,027	\$	33,804,627
5F6	870-624	NARUC/NRRI Subsidy	\$	158,000	\$	158,000
5F6	870-625	Motor Transportation Regulation	\$	4,635,413	\$	4,772,765
TOTAL GSF General Services Fund Group			\$	37,613,440	\$	38,735,392

Federal Special Revenue Fund Group

3V3	870-604	Commercial Vehicle Information Systems/Networks	\$	300,000	\$	300,000
333	870-601	Gas Pipeline Safety	\$	597,957	\$	597,959
350	870-608	Motor Carrier Safety	\$	7,137,534	\$	7,351,660
TOTAL FED Federal Special Revenue Fund Group			\$	8,035,491	\$	8,249,619

State Special Revenue Fund Group

4A3	870-614	Grade Crossing Protection Devices-State	\$	1,349,757	\$	1,349,757
4L8	870-617	Pipeline Safety-State	\$	187,621	\$	187,621
4S6	870-618	Hazardous Material Registration	\$	464,325	\$	464,325
4S6	870-621	Hazardous Materials Base State Registration	\$	373,346	\$	373,346
4U8	870-620	Civil Forfeitures	\$	284,986	\$	284,986
5BP	870-623	Wireless 9-1-1 Administration	\$	26,875,000	\$	13,375,000
559	870-605	Public Utilities Territorial Administration	\$	4,000	\$	4,000
560	870-607	Public Utilities Investigations	\$	100,000	\$	100,000
561	870-606	Power Siting Board	\$	404,651	\$	404,652
638	870-611	Biomass Energy Program	\$	40,000	\$	40,000
661	870-612	Hazardous Materials Transportation	\$	900,000	\$	900,000
TOTAL SSR State Special Revenue Fund Group			\$	30,983,686	\$	17,483,687

Agency Fund Group

4G4	870-616	Base State Registration Program	\$	2,000,000	\$	0
TOTAL AGY Agency Fund Group			\$	2,000,000	\$	0
TOTAL ALL BUDGET FUND GROUPS			\$	78,632,617	\$	64,468,698

COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS PROJECT

The fund created by section 4923.26 of the Revised Code is the same fund, with a new name, as the Commercial Vehicle Information Systems and Networks Fund (Fund 3V3).

ENHANCED AND WIRELESS ENHANCED 9-1-1

The foregoing appropriation item 870-623, Wireless 9-1-1 Administration, shall be used pursuant to section 4931.63 of the Revised Code.

TELECOMMUNICATIONS RELAY SERVICE FUNDING

The Telecommunications Relay Service Fund is hereby created in the state treasury. The vendor selected to provide telecommunications relay service in Ohio, as required by 47 C.F.R. 64.601, shall submit an invoice to the Public Utilities Commission by January 31, 2009, for costs it has incurred in providing the service during calendar year 2008. The Public Utilities Commission shall notify the Director of Budget and Management of the amount invoiced, and the Director of Budget and Management shall transfer that amount from the Public Utilities Fund (Fund 5F6) to the Telecommunications Relay Service Fund on or before February 28, 2009. The amount transferred shall be used to pay the telecommunications relay service vendor the amount invoiced. This amount is hereby appropriated.

SECTION 371.10. PWC PUBLIC WORKS COMMISSION

General Revenue Fund

GRF 150-904	Conservation General Obligation Debt Service	\$	14,847,200	\$	19,779,200
GRF 150-907	State Capital Improvements General Obligation Debt Service	\$	177,513,600	\$	188,696,300
TOTAL GRF General Revenue Fund		\$	192,360,800	\$	208,475,500

Clean Ohio Conservation Fund Group

056 150-403	Clean Ohio Operating Expenses	\$	301,537	\$	311,509
TOTAL 056 Clean Ohio Conservation Fund Group		\$	301,537	\$	311,509
TOTAL ALL BUDGET FUND GROUPS		\$	192,662,337	\$	208,787,009

CONSERVATION GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 150-904, Conservation General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2007, through June 30, 2009, at the times they are required to be made for obligations issued under sections 151.01 and 151.09 of the Revised Code.

STATE CAPITAL IMPROVEMENTS GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 150-907, State Capital Improvements General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2007, to June 30, 2009, at the times they are required to be made for obligations issued under sections 151.01 and 151.08 of the Revised Code.

REIMBURSEMENT TO THE GENERAL REVENUE FUND

(A) On or before July 15, 2009, the Director of the Public Works Commission shall certify to the Director of Budget and Management the following:

(1) The total amount disbursed from appropriation item 700-409, Farmland Preservation, during the fiscal year 2008-2009 biennium; and

(2) The amount of interest earnings that have been credited to the Clean Ohio Conservation Fund (Fund 056) that are in excess of the amount needed for other purposes as calculated by the Director of the Public Works Commission.

(B) If the Director of Budget and Management determines under division (A)(2) of this section that there are excess interest earnings, the Director of Budget and Management shall, on or before July 15, 2009, transfer the excess interest earnings to the General Revenue Fund in an amount equal to the total amount disbursed under division (A)(1) of this section from the Clean Ohio Conservation Fund.

CLEAN OHIO OPERATING EXPENSES

The foregoing appropriation item 150-403, Clean Ohio Operating Expenses, shall be used by the Ohio Public Works Commission in administering sections 164.20 to 164.27 of the Revised Code.

SECTION 373.10. RAC STATE RACING COMMISSION

State Special Revenue Fund Group

5C4	875-607	Simulcast Horse Racing Purse	\$	16,000,000	\$	16,000,000
562	875-601	Thoroughbred Race Fund	\$	3,100,000	\$	3,100,000
563	875-602	Standardbred Development Fund	\$	2,600,000	\$	2,600,000
564	875-603	Quarterhorse Development Fund	\$	1,000	\$	1,000
565	875-604	Racing Commission Operating	\$	4,487,599	\$	4,487,599
TOTAL SSR State Special Revenue Fund Group			\$	26,188,599	\$	26,188,599

Holding Account Redistribution Fund Group

R21	875-605	Bond Reimbursements	\$	212,900	\$	212,900
TOTAL 090 Holding Account Redistribution						

Fund Group	\$	212,900	\$	212,900
TOTAL ALL BUDGET FUND GROUPS	\$	26,401,499	\$	26,401,499

SECTION 375.10. BOR BOARD OF REGENTS

General Revenue Fund

GRF 235-321	Operating Expenses	\$	3,141,351	\$	3,141,351
GRF 235-401	Lease Rental Payments	\$	203,177,900	\$	136,017,500
GRF 235-402	Sea Grants	\$	300,000	\$	300,000
GRF 235-406	Articulation and Transfer	\$	2,900,000	\$	2,900,000
GRF 235-408	Midwest Higher Education Compact	\$	95,000	\$	95,000
GRF 235-409	Information System	\$	1,175,172	\$	1,175,172
GRF 235-414	State Grants and Scholarship Administration	\$	1,707,881	\$	1,707,881
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	\$	66,585,769	\$	66,585,769
GRF 235-420	Success Challenge	\$	53,653,973	\$	53,653,973
GRF 235-428	Appalachian New Economy Partnership	\$	1,176,068	\$	1,176,068
GRF 235-433	Economic Growth Challenge	\$	17,186,194	\$	17,186,194
GRF 235-434	College Readiness and Access	\$	12,655,425	\$	12,655,425
GRF 235-435	Teacher Improvement Initiatives	\$	4,797,506	\$	11,297,506
GRF 235-436	AccelerateOhio	\$	1,250,000	\$	2,500,000
GRF 235-438	Choose Ohio First Scholarship	\$	50,000,000	\$	50,000,000
GRF 235-439	Ohio Research Scholars	\$	30,000,000	\$	0
GRF 235-451	Eminent Scholars	\$	0	\$	1,000,000
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	\$	1,678,877,952	\$	1,842,965,747
GRF 235-502	Student Support Services	\$	795,790	\$	795,790
GRF 235-503	Ohio Instructional Grants	\$	42,533,966	\$	18,315,568
GRF 235-504	War Orphans Scholarships	\$	4,812,321	\$	4,812,321
GRF 235-507	OhioLINK	\$	7,387,824	\$	7,387,824
GRF 235-508	Air Force Institute of Technology	\$	2,050,345	\$	2,050,345
GRF 235-510	Ohio Supercomputer Center	\$	4,271,195	\$	4,271,195
GRF 235-511	Cooperative Extension Service	\$	26,273,260	\$	26,273,260
GRF 235-513	Ohio University Voinovich Center	\$	669,082	\$	669,082
GRF 235-514	Central State Supplement	\$	11,756,414	\$	12,109,106
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	\$	2,502,323	\$	2,577,393
GRF 235-521	The Ohio State University John Glenn School of Public Affairs	\$	619,082	\$	619,082
GRF 235-524	Police and Fire Protection	\$	171,959	\$	171,959

Am. Sub. H. B. No. 119

1729

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	\$	38,485,376	\$	38,485,376
GRF 235-535	Ohio Agricultural Research and Development Center	\$	37,174,292	\$	37,174,292
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	University of 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	\$	100,000	\$	100,000
GRF 235-547	School of International Business	\$	450,000	\$	650,000
GRF 235-552	Capital Component	\$	19,306,442	\$	19,306,442
GRF 235-553	Dayton Area Graduate Studies Institute	\$	2,931,599	\$	2,931,599
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	\$	461,047	\$	461,047
GRF 235-561	Bowling Green State University Canadian Studies Center	\$	100,015	\$	100,015
GRF 235-563	Ohio College Opportunity Grant	\$	139,974,954	\$	151,113,781
GRF 235-567	Central State University Speed to Scale	\$	4,400,000	\$	3,800,000
GRF 235-571	James A. Rhodes Scholarship	\$	10,000,000	\$	0
GRF 235-572	The Ohio State University Clinic Support	\$	1,277,019	\$	1,277,019
GRF 235-573	Ohio Humanities Council	\$	25,000	\$	25,000
GRF 235-583	Urban University Program	\$	5,825,937	\$	5,825,937
GRF 235-587	Rural University Projects	\$	1,159,889	\$	1,159,889
GRF 235-596	Hazardous Materials Program	\$	360,435	\$	360,435
GRF 235-599	National Guard Scholarship Program	\$	16,611,063	\$	16,611,063
GRF 235-909	Higher Education General Obligation Debt Service	\$	172,722,400	\$	208,747,200
TOTAL GRF	General Revenue Fund	\$	2,773,258,537	\$	2,861,908,923
General Services Fund Group					

Am. Sub. H. B. No. 119

1730

220	235-614	Program Approval and Reauthorization	\$	800,000	\$	800,000
456	235-603	Sales and Services	\$	700,000	\$	700,000
TOTAL GSF General Services Fund Group			\$	1,500,000	\$	1,500,000
Federal Special Revenue Fund Group						
3BG	235-626	Star Schools	\$	2,980,865	\$	2,990,746
3H2	235-608	Human Services Project	\$	3,000,000	\$	3,000,000
3H2	235-622	Medical Collaboration Network	\$	3,346,144	\$	3,346,144
3N6	235-605	State Student Incentive Grants	\$	2,196,680	\$	2,196,680
3T0	235-610	National Health Service Corps - Ohio Loan Repayment	\$	250,000	\$	250,000
312	235-609	Tech Prep	\$	183,850	\$	183,850
312	235-611	Gear-up Grant	\$	3,300,000	\$	3,300,000
312	235-612	Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960
312	235-617	Improving Teacher Quality Grant	\$	3,200,000	\$	3,200,000
312	235-621	Science Education Network	\$	1,686,970	\$	1,686,970
TOTAL FED Federal Special Revenue Fund Group			\$	20,257,469	\$	20,267,350
State Special Revenue Fund Group						
4E8	235-602	Higher Educational Facility Commission Administration	\$	50,000	\$	45,000
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
5DT	235-627	American Diploma Project	\$	250,000	\$	0
TOTAL SSR State Special Revenue Fund Group			\$	2,429,870	\$	2,174,870
TOTAL ALL BUDGET FUND GROUPS			\$	2,797,445,876	\$	2,885,851,143

SECTION 375.10.10. OPERATING EXPENSES

Of the foregoing appropriation item 235-321, Operating Expenses, up to \$150,000 in each fiscal year shall be used in conjunction with funding provided in the Department of Education budget under appropriation item 200-427, Academic Standards, to fund the operations of Ohio's Partnership for Continued Learning. 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. Upon requesting and receiving approval from the Controlling Board, the Director of Budget and Management may transfer any unencumbered fiscal year 2008 balance to fiscal year 2009 to support the activities of the Partnership.

SECTION 375.10.20. LEASE RENTAL PAYMENTS

The foregoing appropriation item 235-401, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Board of Regents under leases and agreements made under section 154.21 of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 154. of the Revised Code.

SECTION 375.10.30. SEA GRANTS

The foregoing appropriation item 235-402, Sea Grants, shall be disbursed to the Ohio State University and shall be used to conduct research on fish in Lake Erie.

SECTION 375.10.40. ARTICULATION AND TRANSFER

The foregoing appropriation item 235-406, Articulation and Transfer, shall be used by the Board of Regents to maintain and expand the work of the Articulation and Transfer Council to develop a system of transfer policies to ensure that students at state institutions of higher education can transfer and have coursework apply to their majors and degrees at any other state institution of higher education without unnecessary duplication or institutional barriers under sections 3333.16, 3333.161, and 3333.162 of the Revised Code. The Board of Regents shall, in consultation with the Governor and the Department of Education, convene a work group to establish coursework for content knowledge and teacher competencies for early care and education degrees to support articulation and transfer of coursework, certifications, and credit earned across state-supported institutions of higher education.

Of the foregoing appropriation item 235-406, Articulation and Transfer, \$200,000 in each fiscal year shall be used to support the work of the Articulation and Transfer Council under division (B) of section 3333.162 of the Revised Code.

SECTION 375.10.50. MIDWEST HIGHER EDUCATION COMPACT

The foregoing appropriation item 235-408, Midwest Higher Education Compact, shall be distributed by the Board of Regents under section 3333.40 of the Revised Code.

SECTION 375.10.60. INFORMATION SYSTEM

The foregoing appropriation item 235-409, Information System, shall be used by the Board of Regents to operate the higher education information data system known as the Higher Education Information System.

SECTION 375.10.70. STATE GRANTS AND SCHOLARSHIP ADMINISTRATION

The foregoing appropriation item 235-414, State Grants and Scholarship Administration, shall be used by the Board of Regents to administer the following student financial aid programs: Ohio Instructional Grants, Ohio College Opportunity Grant, Ohio Student Choice Grant, Ohio Academic Scholarship, Ohio War Orphans' Scholarship, Nurse Education Assistance Loan Program, Regents Graduate/Professional Fellowship, Ohio Safety Officers College Memorial Fund, Capitol Scholarship Program, and any other student financial aid programs created by the General Assembly. The appropriation item also shall be used to administer the federal Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) programs and other student financial aid programs created by Congress and to provide fiscal services for the Ohio National Guard Scholarship Program, the Physician Loan Repayment Program, and the Dentist Loan Repayment Program.

SECTION 375.10.80. JOBS CHALLENGE

Funds appropriated to the foregoing appropriation item 235-415, Jobs Challenge, shall be distributed to state-assisted community and technical colleges, regional campuses of state-assisted universities, and other organizationally distinct and identifiable member campuses of the EnterpriseOhio Network in support of noncredit job-related training. In each fiscal year, \$2,770,773 shall be distributed as performance grants to EnterpriseOhio Network campuses based upon each campus's documented performance according to criteria established by the Board of Regents for assessment, training, and related services to businesses, industries, and public sector organizations.

Of the foregoing appropriation item 235-415, Jobs Challenge, \$2,819,345 in each fiscal year shall be allocated to the Targeted Industries Training Grant Program to attract, develop, and retain business and industry strategically important to the state's economy and regional priorities.

Of the foregoing appropriation item 235-415, Jobs Challenge, \$3,758,182 in each fiscal year shall be allocated to the Higher Skills Incentives Program to promote and deliver coordinated assessment and comprehensive training to local employers and to reward EnterpriseOhio Network campuses for the amount of non-credit skill upgrading services provided to Ohio employers and employees. The funds shall be distributed to campuses in proportion to each campus's share of noncredit job-related training revenues received by all campuses for the previous fiscal year.

SECTION 375.10.90. OHIO LEARNING NETWORK

The foregoing appropriation item 235-417, Ohio Learning Network, shall be used by the Board of Regents to support the continued implementation of the Ohio Learning Network, a statewide collaborative that delivers adult education including degree completion, workforce training, and professional development using online and distance education initiatives. The funds shall be used by the Ohio Learning Network to develop and promote learning and assessment through the use of technology, to test and provide advice on emerging learning-directed technologies, and to facilitate cost-effectiveness through shared educational technology investments.

SECTION 375.20.10. ACCESS CHALLENGE

The foregoing appropriation item 235-418, Access Challenge, shall be distributed to Ohio's state-assisted access colleges and universities. For the purposes of this allocation, "access campuses" includes state-assisted community colleges, state community colleges, technical colleges, Shawnee State University, Central State University, Cleveland State University, the regional campuses of state-assisted universities, and, where they are organizationally distinct and identifiable, the community-technical colleges located at the University of Cincinnati, Youngstown State University, and the University of Akron.

The purpose of Access Challenge is to reduce the student share of costs for resident undergraduates enrolled in lower division undergraduate courses at Ohio's access campuses. The long-term goal is to make the student share of costs for these students equivalent to the student share of costs for resident undergraduate students enrolled throughout Ohio's public colleges and universities. Access Challenge appropriations shall be used to sustain, as much as possible, the tuition restraint or tuition reduction that was achieved with Access Challenge allocations in prior years. Access campuses

shall disclose, in their tuition billing statements to students, the amount of tuition subsidized by state Access Challenge subsidies.

In fiscal year 2008, Access Challenge subsidies shall be distributed by the Board of Regents to eligible access campuses on the basis of the average of each campus's share of fiscal year 2005 and 2006 all-terms subsidy-eligible General Studies FTEs. In fiscal year 2009, Access Challenge subsidies shall be distributed by the Board of Regents to eligible access campuses on the basis of the average of each campus's share of fiscal year 2006 and 2007 all-terms subsidy-eligible General Studies FTEs.

For purposes of this calculation, Cleveland State University's enrollments shall be adjusted by the ratio of the sum of subsidy-eligible lower-division FTE student enrollments eligible for access funding to the sum of subsidy-eligible General Studies FTE student enrollments at Central State University and Shawnee State University, and for the following universities and their regional campuses: the Ohio State University, Ohio University, Kent State University, Bowling Green State University, Miami University, the University of Cincinnati, the University of Akron, and Wright State University.

SECTION 375.20.20. SUCCESS CHALLENGE

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

Of the foregoing appropriation item 235-420, Success Challenge, 66.67 per cent of the appropriation in each fiscal year shall be distributed to state-assisted university main campuses in proportion to each campus's share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal years 2008 and 2009, an "at-risk" student means any undergraduate student who was eligible to receive an Ohio need-based financial aid award during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

Of the foregoing appropriation item 235-420, Success Challenge, 33.33 per cent of the appropriation in each fiscal year shall be distributed to university main campuses in proportion to each campus's share of the total bachelor's degrees granted by university main campuses to undergraduate

students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect data to assess the timely completion statistics by university main campuses.

SECTION 375.20.30. APPALACHIAN NEW ECONOMY PARTNERSHIP

The foregoing appropriation item 235-428, Appalachian New Economy Partnership, shall be distributed to Ohio University to continue a multi-campus and multi-agency coordinated effort to link Appalachia to the new economy. Ohio University shall use these funds to provide leadership in the development and implementation of initiatives in the areas of entrepreneurship, management, education, and technology.

SECTION 375.20.40. ECONOMIC GROWTH CHALLENGE

The foregoing appropriation item 235-433, Economic Growth Challenge, shall be used to enhance the basic research capabilities of Ohio's public and private institutions of higher education, support improved doctor of philosophy degree programs throughout the state, and promote the transfer of technology developed by Ohio colleges and universities to private industry to further the economic goals of the state in collaboration with the Third Frontier Project.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$12,000,000 in each fiscal year shall be used for the Research Incentive Program to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code, in order to strengthen academic research for pursuing Ohio's economic development goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Incentive Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research

efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. Institutional plans for the use of Research Incentive funding must demonstrate a significant investment in Third Frontier activities funded at the institution. For a college or university with multiple Third Frontier grants, as much as ten per cent of that institution's Research Incentive funding may be invested in Third Frontier Project-related activities. Each institutional plan for the investment of Research Incentive moneys shall report on existing, planned, or possible relationships with other state science and technology programs and funding recipients in order to further ongoing statewide science and technology collaboration objectives. The Board of Regents shall submit a biennial report of progress to the General Assembly.

In each fiscal year, both those state-assisted doctor of philosophy degree-granting universities and those accredited doctor of philosophy degree-granting Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code may elect to participate in the Innovation Incentive Program and may continue to implement their comprehensive plans that are designed to enhance doctor of philosophy degree programs and areas of research that have the greatest potential to attract preeminent researchers and build research capacity; enhance regional or state economic growth by creating new products and services to be commercialized; and complement Ohio's Third Frontier Project.

In each fiscal year, funding for the Innovation Incentive Program shall be generated from the funds reallocated by those participating state-assisted doctor of philosophy degree-granting universities and state matching funds provided in appropriation item 235-433, Economic Growth Challenge. In each fiscal year, the amount of funds each participating state-assisted university is required to internally reallocate shall equal the sum of the funds it was required to reallocate in the prior fiscal year plus one and one-half per cent of current fiscal year's doctoral reserve allocation as attributed by the Board of Regents. Additionally, those participating accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code shall be required to set aside an amount comparable to the participating state-assisted universities as

determined by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$4,686,194 in each fiscal year shall match a portion of the funds set aside by all participating universities for the Innovation Incentive Program. The Controlling Board may increase the set-aside amount in each fiscal year if the Chancellor of the Board of Regents, after meeting all other obligations, identifies unspent and unencumbered General Revenue Fund money within the Board of Regents budget and requests the Controlling Board to increase the set-aside for the Innovation Incentive Program. The amount of the set-aside increased by the Controlling Board shall not exceed the amount of available funds identified by the Chancellor of the Board of Regents.

In each fiscal year, if the total amount of the state matching funds for the Innovation Incentive Program equals or exceeds the total amount of the funds internally reallocated by all participating universities, the state matching funds shall be disbursed through a competitive process. If the total amount of the state matching funds for the Innovation Incentive Program is less than the total amount of the funds internally reallocated by all participating universities, the Board of Regents shall distribute the state matching funds as follows:

(A) Distribute to each participating university the same amount of the state matching funds it received in fiscal year 2007 under the Innovation Incentive Program;

(B) Any excess funds after meeting division (A) of this section shall be distributed based on each participating university's proportional share of the total funding provided in division (A) of this section.

The participating universities shall use state matching funds and the funds they internally reallocated to restructure their array of doctor of philosophy degree programs.

The Board of Regents, in consultation with participating universities and the Office of Budget and Management, shall develop guidelines for the length of a transition period and criteria for determining the acceptable level of participation in the Innovation Incentive Program. After completion of the transition period during implementation of the Innovation Incentive Program, in each fiscal year the Board of Regents may withhold up to fifty per cent of the funds each participating state-assisted doctor of philosophy degree-granting university is required to reallocate for that year if the university is not internally reallocating the required amount or does not meet the criteria established by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth

Challenge, \$500,000 in each fiscal year shall be distributed for the Technology Commercialization Incentive. The purpose of the Technology Commercialization Incentive is to reward public and private colleges and universities for successful technology transfer to Ohio-based business and industry resulting in the commercialization of new products, processes, and services and the establishment of new business start-ups within the state. The Third Frontier Commission, with counsel from the Third Frontier Advisory Board, shall establish the eligibility criteria for public and private colleges and universities interested in applying for Technology Commercialization Incentive funding. To qualify for the funds, public and private colleges and universities must maintain a significant investment in their own technology-transfer and commercialization operation and capabilities, and possess a significant history of successful research partnerships with Ohio-based business and industry.

SECTION 375.20.45. CHALLENGES STUDY

The Chancellor of the Board of Regents shall study the effectiveness and appropriateness of the programs funded in GRF appropriation items 235-415, Jobs Challenge, 235-418, Access Challenge, 235-420, Success Challenge, and 235-433, Economic Growth Challenge, in the context of today's knowledge-based economy with a focus on student-based funding, the workforce development needs of the state in the Twenty-first Century, and incentives for student success. Not later than May 31, 2008, the Chancellor of the Board of Regents shall report the findings of the study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

SECTION 375.20.50. 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 also 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 2008 and \$822,645 in fiscal year 2009 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, 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 2008 and \$174,640 in fiscal year 2009 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, \$3,503,985 in each fiscal year 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 Program. The funds shall be distributed according to guidelines established by the Department of Education and the Board of Regents.

SECTION 375.20.60. TEACHER IMPROVEMENT INITIATIVES

Appropriation item 235-435, Teacher Improvement Initiatives, shall be used by the Board of Regents to support programs such as OSI - Discovery and the Centers of Excellence in Mathematics and Science designed to raise the quality of mathematics and science teaching in primary, secondary, and post-secondary education.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$204,049 in each fiscal year shall be distributed to the Mathematics and Science Center in Lake County.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$106,619 in each fiscal year shall be distributed to the Ohio Mathematics and Science Coalition.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$100,000 in each fiscal year shall be distributed to the Teacher Quality Partnerships study.

Of the foregoing appropriation item 235-435, Teacher Improvement

Initiatives, \$100,000 in each fiscal year shall be distributed to the Sinclair Community College Distance Learning STEM Partnership.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$874,871 in each fiscal year shall be distributed to the Ohio Resource Center for Mathematics, Science, and Reading. The funds shall be used to support a resource center for mathematics, science, and reading to be located at a state-assisted university for the purpose of identifying best educational practices in primary and secondary schools and establishing methods for communicating them to colleges of education and school districts. The Ohio Resource Center for Mathematics, Science, and Reading shall not make available resources that are inconsistent with the K-12 science standards and policies as adopted by the State Board of Education.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, up to \$2,000,000 in each fiscal year shall be used to support up to ten regional summer academies that focus on foreign language, science, mathematics, engineering, and technology and prepare eleventh and twelfth grade students enrolled in public or chartered nonpublic schools to pursue college-level foreign language, mathematics, science, technology, and engineering, with a focus on secondary teaching in these disciplines. Successful completion of these academics shall result in dual high school and college credits. Costs shall be based upon reasonable expenses, as determined by the Board of Regents, that institutions of higher education may incur for faculty, supplies, and other associated costs.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, up to \$4,000,000 in fiscal year 2009 shall be used to fund teacher-signing bonuses for individuals that enter the teaching profession in a public school district or school district building that has been designated a hard-to-staff school by the Department of Education. To qualify for the signing bonus, an individual must: (a) be licensed to teach; (b) be assigned to teach in foreign language, science, or mathematics; and (c) agree to teach in a hard-to-staff school for a minimum of five years. An individual may qualify for up to \$20,000 in state-funded bonuses if all obligations are met. The Board of Regents shall develop this program jointly with the Department of Education and the Partnership for Continued Learning. An individual may participate in either the teacher-signing bonus program or the teacher loan-forgiveness program, but may not receive benefits from both programs. The Board of Regents shall recoup funds received by any program participant who has not fulfilled the five-year teaching obligation as described in this section.

Of the foregoing appropriation item 235-435, Teacher Improvement

Initiatives, up to \$2,500,000 in fiscal year 2009 shall be used to fund teacher loan-forgiveness for individuals that enter the teaching profession in a school district or school district building that has been designated as a hard-to-staff school by the Department of Education. To qualify for the loan forgiveness, an individual must: (a) be licensed to teach; (b) be assigned to teach in foreign language, science, or mathematics; and (c) agree to teach in a hard-to-staff school for a minimum of five years. An individual may qualify for up to \$20,000 in state funded loan forgiveness if all obligations are met. The Board of Regents shall develop this program jointly with the Department of Education and the Partnership for Continued Learning. An individual may participate in either the teacher-signing bonus program or the teacher loan-forgiveness program, but may not receive benefits from both programs. The Board of Regents shall recoup funds received by any program participant who has not fulfilled the five-year teaching obligation as described in this section.

SECTION 375.20.70. ACCELERATEOHIO

Of the foregoing appropriation item 235-436, AccelerateOhio, \$500,000 in each fiscal year shall be used to support the Health Information and Imaging Technology Workforce Development Pilot Project pursuant to section 3333.55 of the Revised Code.

The remainder of the foregoing appropriation item 235-436 AccelerateOhio, shall be used by the Board of Regents, in collaboration with Ohio's public two-year campuses, to develop and implement a statewide program designed to improve the education and skills of Ohio's workforce by assisting low-income working adults in Ohio to improve their education and training. AccelerateOhio shall consist of competency-based, low-cost, noncredit, and credit-bearing modules and courses in communications, mathematics, and information technology, and other fields selected by the Board of Regents. The program shall be designed to culminate in a certificate and provide recipients with a foundation for additional post-secondary education.

SECTION 375.20.76. CHOOSE OHIO FIRST SCHOLARSHIP

The foregoing appropriation item 235-438, Choose Ohio First Scholarship, shall be disbursed pursuant to sections 3333.60 to 3333.70 of the Revised Code.

The unencumbered balance of appropriation item 235-438, Choose Ohio First Scholarship, at the end of fiscal year 2008 shall be transferred to fiscal

year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

SECTION 375.20.77. OHIO RESEARCH SCHOLARS

The foregoing appropriation item 235-439, Ohio Research Scholars, shall be disbursed pursuant to sections 3333.60 to 3333.70 of the Revised Code.

SECTION 375.20.80. EMINENT SCHOLARS

The foregoing appropriation item 235-451, Eminent Scholars, shall be used by the Ohio Board of Regents to continue the Ohio Eminent Scholars Program, the purpose of which is to invest educational resources to address problems that are of vital statewide significance while fostering the growth in eminence of Ohio's academic programs. Ohio Eminent Scholars endowed chairs shall allow Ohio universities to recruit senior faculty members from outside Ohio who are nationally and internationally recognized scholars in areas of science and technology that provide the basic research platforms on which the state's technology and commercialization efforts are built. Endowment grants to state colleges and universities and nonprofit Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code to match endowment gifts from nonstate sources may be made in accordance with a plan established by the Ohio Board of Regents. Matching nonstate endowment gifts shall be equal to the state's endowment grant. The grants shall have as their purpose attracting and sustaining in Ohio scholar-leaders of national or international prominence; each grant shall assist in accelerating state economic growth through research that provides an essential basic science platform for commercialization efforts. Such scholar-leaders shall, among their duties, share broadly the benefits and knowledge unique to their fields of scholarship to the betterment of Ohio and its people and collaborate with other state technology programs and program recipients.

All new Eminent Scholar awards made by the Board of Regents shall be associated with a Wright Center of Innovation, a Partnership Award from the Biomedical Research and Technology Transfer Trust Fund, or a Wright Capital Project.

SECTION 375.20.90. ENTERPRISEOHIO NETWORK

The foregoing appropriation item 235-455, EnterpriseOhio Network,

shall be allocated by the Board of Regents to continue increasing the capabilities of the EnterpriseOhio Network to meet the ongoing training needs of Ohio employers. Funds shall support multicampus collaboration, best practice dissemination, and capacity building projects. The Regents Advisory Committee for Workforce Development, in its advisory role, shall advise in the development of plans and activities.

SECTION 375.30.10. AREA HEALTH EDUCATION CENTERS

The foregoing appropriation item 235-474, Area Health Education Centers Program Support, shall be used by the Board of Regents to support the medical school regional area health education centers' educational programs for the continued support of medical and other health professions education and for support of the Area Health Education Center Program.

Of the foregoing appropriation item 235-474, Area Health Education Centers Program Support, \$159,158 in each fiscal year shall be disbursed to the Ohio University College of Osteopathic Medicine to operate a mobile health care unit to serve the southeastern area of the state.

Of the foregoing appropriation item 235-474, Area Health Education Centers Program Support, \$119,369 in each fiscal year shall be used to support the Ohio Valley Community Health Information Network (OVCHIN) project.

SECTION 375.30.20. STATE SHARE OF INSTRUCTION

The Board of Regents shall establish procedures to allocate the foregoing appropriation item 235-501, State Share of Instruction, based on the formulas and enrollment in the instructional models set out in this section.

(A) FULL-TIME EQUIVALENT (FTE) ENROLLMENTS

(1) As soon as practicable during each fiscal year of the biennium ending June 30, 2009, in accordance with instructions of the Board of Regents, each state-assisted institution of higher education shall report its actual enrollment to the Board of Regents.

(2) In defining the number of full-time equivalent students for state subsidy purposes, the Board of Regents shall exclude all undergraduate students who are not residents of Ohio, except those charged in-state fees in accordance with reciprocity agreements made under section 3333.17 of the Revised Code or employer contracts entered into under section 3333.32 of the Revised Code.

(3) In calculating the core subsidy entitlements for Medical II models

only, the Board of Regents shall use the following count of FTE students:

(a) For those medical schools whose current year enrollment, including students repeating terms, is below the base enrollment, the Medical II FTE enrollment shall equal: 65 per cent of the base enrollment plus 35 per cent of the current year enrollment including students repeating terms, where the base enrollment is:

The Ohio State University	1010
University of Cincinnati	833
University of Toledo	650
Wright State University	433
Ohio University	433
Northeastern Ohio Universities College of Medicine	433

(b) For those medical schools whose current year enrollment, excluding students repeating terms, is equal to or greater than the base enrollment, the Medical II FTE enrollment shall equal the base enrollment plus the FTE for repeating students.

(c) Students repeating terms may be no more than five per cent of current year enrollment.

(4) The state share of instruction to state-supported universities for students enrolled in law schools in fiscal year 2008 and fiscal year 2009 shall be calculated by using the number of subsidy-eligible FTE law school students funded by state subsidy in fiscal year 1995 or the actual number of subsidy-eligible FTE law school students at the institution in the fiscal year, whichever is less.

(B) TOTAL COSTS PER FULL-TIME EQUIVALENT STUDENT

For purposes of calculating state share of instruction allocations, the total instructional costs per full-time equivalent student shall be:

Model	Fiscal Year 2008	Fiscal Year 2009
ARTS AND HUMANITIES 1	\$7,220	\$7,494
ARTS AND HUMANITIES 2	9,431	9,790
ARTS AND HUMANITIES 3	12,186	12,649
ARTS AND HUMANITIES 4	17,836	18,514
ARTS AND HUMANITIES 5	27,829	28,887
ARTS AND HUMANITIES 6	34,540	35,852
BUSINESS, EDUCATION & SOCIAL SCIENCES 1	6,352	6,594
BUSINESS, EDUCATION & SOCIAL SCIENCES 2	7,389	7,670

BUSINESS, EDUCATION & SOCIAL SCIENCES 3	8,911	9,249
BUSINESS, EDUCATION & SOCIAL SCIENCES 4	10,744	11,152
BUSINESS, EDUCATION & SOCIAL SCIENCES 5	17,070	17,719
BUSINESS, EDUCATION & SOCIAL SCIENCES 6	21,908	22,740
BUSINESS, EDUCATION & SOCIAL SCIENCES 7	26,019	27,008
MEDICAL 1	43,190	44,831
MEDICAL 2	47,635	49,445
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 1	6,552	6,801
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 2	9,196	9,545
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 3	11,610	12,051
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 4	14,789	15,351
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 5	18,420	19,119
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 6	19,990	20,750
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 7	27,676	28,728
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 8	35,308	36,650
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 9	48,150	49,979

Doctoral I and Doctoral II models shall be allocated in accordance with division (D)(1) of this section.

(C) SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICAL, AND GRADUATE WEIGHTS

For the purpose of implementing the recommendations of the State Share of Instruction Consultation and the Higher Education Funding Study Council that priority be given to maintaining state support for science, technology, engineering, mathematics, medicine, and graduate programs, the costs in division (B) of this section shall be weighted by the amounts provided below:

Model	Fiscal Year 2008	Fiscal Year 2009
ARTS AND HUMANITIES 1	1.000	1.000
ARTS AND HUMANITIES 2	1.000	1.000
ARTS AND HUMANITIES 3	1.000	1.000
ARTS AND HUMANITIES 4	1.000	1.000
ARTS AND HUMANITIES 5	1.250	1.250
ARTS AND HUMANITIES 6	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 1	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 2	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 3	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 4	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 5	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 6	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 7	1.250	1.250
MEDICAL 1	1.500	1.500
MEDICAL 2	1.728	1.728
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 1	1.000	1.000
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 2	1.002	1.002
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 3	1.613	1.613
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 4	1.690	1.690
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 5	1.420	1.420
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 6	2.081	2.081
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 7	1.702	1.702
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 8	1.808	1.808

SCIENCE, TECHNOLOGY, ENGINEERING, 1.341 1.341
MATHEMATICS, MEDICINE 9

(D) CALCULATION OF STATE SHARE OF INSTRUCTION
FORMULA ENTITLEMENTS AND ADJUSTMENTS

(1) Of the foregoing appropriation item 235-501, State Share of Instruction, up to 10.44 per cent of the appropriation in each fiscal year shall be reserved for support of doctoral programs to implement the recommendations of the Graduate Funding Commission. The amount so reserved shall be referred to as the doctoral set-aside.

The doctoral set-aside shall be allocated to universities in proportion to their share of the total number of Doctoral I equivalent FTEs as calculated on an institutional basis using the greater of the two-year or five-year FTEs for the period fiscal year 1994 through fiscal year 1998 with annualized FTEs for fiscal years 1994 through 1997 and all-term FTEs for fiscal year 1998 as adjusted to reflect the effects of doctoral review and subsequent changes in Doctoral I equivalent enrollments. For the purposes of this calculation, Doctoral I equivalent FTEs shall equal the sum of Doctoral I FTEs plus 1.5 times the sum of Doctoral II FTEs.

If a university participates in the Innovation Incentive Program outlined in appropriation item 235-433, Economic Growth Challenge, in fiscal year 2008 the Board of Regents shall withhold the university's increasing matching share required by the Innovation Incentive Program from its allocation of the doctoral set-aside.

The Board of Regents shall use the combined amount of each participating state-assisted university's set aside of the doctoral reserve that has been withheld, the state matching funds earmarked under appropriation item 235-433, Economic Growth Challenge, and the amount set aside by each accredited Ohio institution of higher education holding a certificate of authorization under section 1713.02 of the Revised Code electing to participate in the Innovation Incentive Program to make awards through a competitive process under the Innovation Incentive Program. Only universities electing to set aside the prescribed amount shall be eligible to compete for and receive Innovation Incentive awards. The participating universities shall use these awards to restructure their array of doctoral programs.

(2) Each campus's state share of instruction base formula earnings shall be determined as follows:

(a) For each campus in each fiscal year, the instructional costs shall be determined by multiplying the amounts listed above in divisions (B) and (C) of this section by (i) average subsidy-eligible FTEs for the two-year period

ending in the prior year for all models except Doctoral I and Doctoral II; and (ii) average subsidy-eligible FTEs for the five-year period ending in the prior year for all models except Doctoral I and Doctoral II.

(b) The Board of Regents shall compute the two calculations listed in division (D)(2)(a) of this section and use the greater amount as each campus's instructional costs.

(c) The Board of Regents shall compute a uniform state share of instructional costs by dividing the appropriations for 235-501, State Share of Instruction, less the doctoral set-aside calculated in division (D)(1) of this section, by the sum of all campuses' instructional costs as calculated in division (D)(2)(b) of this section.

(d) The formula entitlement for each campus shall be determined by multiplying the uniform state share of costs calculated in division (D)(2)(c) of this section by the campus's instructional cost determined in division (D)(2)(b) of this section.

(3) In addition to the doctoral set-aside allocation determined in division (D)(1) of this section and the formula entitlement determined in division (D)(2) of this section, an allocation based on fiscal year 2007 facility-based plant operations and maintenance (POM) subsidy shall be made. No campus shall be eligible for a POM allocation if the campus did not receive a net-assignable-square-foot-based (NASF) POM allocation in fiscal year 2007 and the amount of state share of instruction subsidy the campus would have received in fiscal year 2007 had the campus's calculation been based on the state share of instruction method described in this section, but using relevant fiscal year 2007 data, is less than 98.5% of the campus's actual final fiscal year 2007 state share of instruction earnings.

For each eligible campus, the amount of the POM allocation in each fiscal year shall be the lesser of:

(a) 98.5% of the campus's actual final fiscal year 2007 state share of instruction earnings, minus the amount the campus would have received in fiscal year 2007 had the campus's calculation been based on the state share of instruction method described in this section, but using relevant fiscal year 2007 data; or

(b) The actual final fiscal year 2007 net-assignable-square-foot-based (NASF) POM allocation that was provided to the campus.

Any POM allocations required by this division shall be funded by proportionately reducing formula entitlement earnings, including the POM allocations, for all campuses.

The Board of Regents, in consultation with representatives of state-assisted colleges and universities, shall study the need for the

facility-based POM allocations and make recommendations for changes by June 30, 2008.

(4) ANNUAL STATE SHARE OF INSTRUCTION FUNDING GUARANTEE

In addition to and after the other adjustment noted above, in each fiscal year, no campus shall receive a state share of instruction allocation that is less than 100 per cent of the prior year's state share of instruction amount. Funds shall be made available to fund this guarantee provision by recalculating the uniform state share as described in division (D)(2)(c) of this section by subtracting guarantee funds and the doctoral set-aside from the total appropriations for appropriation item 235-501, State Share of Instruction.

(5) CAPITAL COMPONENT DEDUCTION

After all other adjustments have been made, state share of instruction earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. 748 of the 121st General Assembly, Am. Sub. H.B. 850 of the 122nd General Assembly, Am. Sub. H.B. 640 of the 123rd General Assembly, H.B. 675 of the 124th General Assembly, Am. Sub. H.B. 16 of the 126th General Assembly, and Am. Sub. H.B. 699 of the 126th General Assembly for that campus exceeds that campus's capital component earnings. The sum of the amounts deducted shall be transferred to appropriation item 235-552, Capital Component, in each fiscal year.

(E) EXCEPTIONAL CIRCUMSTANCES

Adjustments may be made to the state share of instruction payments and other subsidies distributed by the Board of Regents to state-assisted colleges and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Chancellor and the approval of the Controlling Board.

(F) APPROPRIATION REDUCTIONS TO THE STATE SHARE OF INSTRUCTION

The standard provisions of the state share of instruction calculation as described in the preceding sections of temporary law shall apply to any reductions made to appropriation item 235-501, State Share of Instruction, before the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year.

Any reductions made to appropriation item 235-501, State Share of Instruction, after the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year, shall be uniformly applied to each campus in proportion to its share of the final allocation.

(G) DISTRIBUTION OF STATE SHARE OF INSTRUCTION

The state share of instruction payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to section 126.09 of the Revised Code. Payments during the first six months of the fiscal year shall be based upon the state share of instruction appropriation estimates made for the various institutions of higher education according to Board of Regents enrollment estimates. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Board of Regents.

SECTION 375.30.25. STATE SHARE OF INSTRUCTION FOR FISCAL YEARS 2008 AND 2009

(A) The boards of trustees of institutions of state-supported higher education shall restrain increases in in-state undergraduate instructional and general fees. For the 2007-2008 academic year, each state-supported institution shall not increase its in-state undergraduate instructional and general fees over what the institution charged for the 2006-2007 academic year. For the 2008-2009 academic year, each state-supported institution shall not increase its in-state undergraduate instructional and general fees over what the institution charged for the 2007-2008 academic year.

These limitations shall not apply to increases required to comply with institutional covenants related to their obligations or to meet unfunded legal mandates or legally binding obligations incurred or commitments made prior to the effective date of this section with respect to which the institution had identified such fee increases as the source of funds. Any increase required by such covenants and any such mandates, obligations, or commitments shall be reported by the Board of Regents to the Controlling Board. These limitations may also be modified by the Board of Regents, with the approval of the Controlling Board, to respond to exceptional circumstances as identified by the Board of Regents.

Of the foregoing appropriation item 235-501, State Share of Instruction, \$58,000,000 in fiscal year 2008 and \$60,000,000 in fiscal year 2009 shall be distributed based on each campus's proportional share of the total in-state undergraduate instructional and general fees for fiscal year 2007. For purposes of this subsidy, the in-state undergraduate instructional and general fee amounts for all campuses except for Miami University shall be determined by multiplying the number of a campus's in-state full-time equivalent undergraduate students by the campus's full-time in-state undergraduate instructional and general fees, prior to deducting any

scholarships and student financial aid grants. In the case of Miami University, the instructional and general fee amount used in the calculation shall be the average full-time in-state undergraduate instructional and general fee amount after taking into account Ohio Resident and Ohio Leader scholarships.

The remainder of appropriation item 235-501, State Share of Instruction, shall be distributed according to division (B) of this section.

(B)(1) Notwithstanding the distribution formulas outlined in Section 375.30.20 of this act, in fiscal year 2008 each state-supported institution shall receive what was received in fiscal year 2007. In addition, each state university or university branch campus shall receive a proportional share of the total appropriation increase from fiscal year 2007 to fiscal year 2008 in appropriation item 235-501, State Share of Instruction, if the state university or university branch campus demonstrates one per cent savings through identified internal efficiencies in fiscal year 2008, as certified by the Chancellor of the Board of Regents. Community colleges, state community colleges, and technical colleges shall receive additional funds based on a formula developed by the Chancellor of the Board of Regents that incorporates the enrollment growth, a funding guarantee, and the requirement of one per cent savings through identified internal efficiencies as certified by the Chancellor. Not later than August 31, 2007, the Chancellor shall seek Controlling Board's approval of the formula.

Notwithstanding the distribution formulas outlined in Section 375.30.20 of this act, in fiscal year 2009 each state-supported institution shall receive what was received in fiscal year 2008. In addition, each state university or university branch campus shall receive a proportional share of the total appropriation increase from fiscal year 2008 to fiscal year 2009 in appropriation item 235-501, State Share of Instruction, if the state university or university branch campus demonstrates three per cent savings through identified internal efficiencies in fiscal year 2009, as certified by the Chancellor of the Board of Regents. Community colleges, state community colleges, and technical colleges shall receive additional funds based on a formula developed by the Chancellor that incorporates the enrollment growth, a funding guarantee, and the requirement of three per cent savings through identified internal efficiencies as certified by the Chancellor. Not later than August 31, 2008, the Chancellor shall seek Controlling Board's approval of the formula.

(2) In each fiscal year, state share of instruction earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. 748 of the 121st General Assembly, Am. Sub. H.B.

850 of the 122nd General Assembly, Am. Sub. H.B. 640 of the 123rd General Assembly, H.B. 675 of the 124th General Assembly, Am. Sub. H.B. 16 of the 126th General Assembly, and Am. Sub. H.B. 699 of the 126th General Assembly for that campus exceeds that campus's capital component earnings. The sum of the amounts deducted shall be transferred to appropriation item 235-552, Capital Component, in each fiscal year.

Adjustments may be made to the state share of instruction payments and other subsidies distributed by the Board of Regents to state-assisted colleges and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Board of Regents and the approval of the Controlling Board.

Any reductions made to appropriation item 235-501, State Share of Instruction, shall be uniformly applied to each campus in proportion to its share of the allocation.

The state share of instruction payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to section 126.09 of the Revised Code. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Board of Regents.

(C) In consultation with the Department of Development, the Chancellor of the Board of Regents shall commission a study on the needs of the business community relative to higher education in the state. The study shall include all of the following:

- (1) Determine the needs of Ohio's business community;
- (2) Determine whether state-supported institutions of higher education are meeting those needs;
- (3) Identify how state-supported institutions of higher education can improve to meet those needs;
- (4) Identify the necessary skills and talents required by the business community that Ohio's college graduates must have in order to perform in the workplace; and
- (5) Make any necessary recommendations as to how state-supported institutions of higher education can better meet the needs of the business community.

Not later than December 31, 2007, the Chancellor of the Board of Regents shall report the findings of the study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

(D) In consultation with state-supported institutions of higher education,

the Chancellor of the Board of Regents shall develop a plan that includes all of the following:

(1) A plan to achieve the access goal of increasing the number of Ohioans enrolled in college by 230,000 by 2017;

(2) A plan to achieve the success goal of increasing the graduation rate of those who first enroll in college on or after the effective date of this section by twenty per cent by 2017;

(3) A plan to achieve affordability through tuition restraint and additional state support for higher education; such a plan shall include goals for establishing and implementing funding policies that provide for sufficient state funding support to reach tuition that matches or is lower than the national average and state support that matches or exceeds the national average;

(4) A plan to enhance the state's competitiveness for attracting federal and other support for research and development at public research universities; such a plan shall include goals for reaching or exceeding the national average level of support, on a per capita basis, for research and development;

(5) A plan to promote higher education throughout the state through the coordinated leadership efforts of the Governor, the Chancellor of the Board of Regents, and other stakeholders; such a plan shall include goals for using various media and other partnerships to raise awareness of college opportunities, to increase public awareness about the value of a college education, and to create a shared vision that a higher education is attainable by all Ohioans.

Each of these plans shall include key outcome measures and other appropriate indicators to allow for monitoring of progress made in meeting the established goals. Each state-supported institution of higher education shall provide any student and institutional outcome data in any program areas requested by the Chancellor of the Board of Regents, including program efficiency and utilization of state resources. Each state-supported institution of higher education shall also commit to increasing inter-institution collaborations and partnerships and enhancing efficiencies with the goal of achieving measurable increases in savings.

In consultation with state-supported institutions of higher education, the Chancellor of the Board of Regents shall study the feasibility of establishing and implementing a tuition flexibility plan that may allow state-supported institutions of higher education to charge per-credit-hour-based tuition or differential tuition.

Not later than March 31, 2008, the Chancellor of the Board of Regents

shall report the plan and the tuition flexibility feasibility study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

SECTION 375.30.27. Based on reports from the Higher Education Statewide Purchasing Consortium under division (D) of section 3345.35 of the Revised Code, the Chancellor of the Ohio Board of Regents shall certify any cost savings reported by members of the Consortium as savings achieved through internal efficiencies for purposes of division (B)(1) of Section 375.30.25 of this act.

SECTION 375.30.30. HIGHER EDUCATION - BOARD OF TRUSTEES

Funds appropriated for instructional subsidies at colleges and universities may be used to provide such branch or other off-campus undergraduate courses of study and such master's degree courses of study as may be approved by the Board of Regents.

In providing instructional and other services to students, boards of trustees of state-assisted institutions of higher education shall supplement state subsidies by income from charges to students. Each board shall establish the fees to be charged to all students, including an instructional fee for educational and associated operational support of the institution and a general fee for noninstructional services, including locally financed student services facilities used for the benefit of enrolled students. The instructional fee and the general fee shall encompass all charges for services assessed uniformly to all enrolled students. Each board may also establish special purpose fees, service charges, and fines as required; such special purpose fees and service charges shall be for services or benefits furnished individual students or specific categories of students and shall not be applied uniformly to all enrolled students. Except for the board of trustees of Miami University, in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act, a tuition surcharge shall be paid by all students who are not residents of Ohio.

The board of trustees of a state-assisted institution of higher education shall not authorize a waiver or nonpayment of instructional fees or general fees for any particular student or any class of students other than waivers specifically authorized by law or approved by the Chancellor. This prohibition is not intended to limit the authority of boards of trustees to provide for payments to students for services rendered the institution, nor to

prohibit the budgeting of income for staff benefits or for student assistance in the form of payment of such instructional and general fees. This prohibition is not intended to limit the authority of the board of trustees of Miami University in providing financial assistance to students in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act.

Except for Miami University, in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act, each state-assisted institution of higher education in its statement of charges to students shall separately identify the instructional fee, the general fee, the tuition charge, and the tuition surcharge. Fee charges to students for instruction shall not be considered to be a price of service but shall be considered to be an integral part of the state government financing program in support of higher educational opportunity for students.

The board of trustees of state-assisted institutions of higher education shall ensure that faculty members devote a proper and judicious part of their work week to the actual instruction of students. Total class credit hours of production per quarter per full-time faculty member is expected to meet the standards set forth in the budget data submitted by the Board of Regents.

The authority of government vested by law in the boards of trustees of state-assisted institutions of higher education shall in fact be exercised by those boards. Boards of trustees may consult extensively with appropriate student and faculty groups. Administrative decisions about the utilization of available resources, about organizational structure, about disciplinary procedure, about the operation and staffing of all auxiliary facilities, and about administrative personnel shall be the exclusive prerogative of boards of trustees. Any delegation of authority by a board of trustees in other areas of responsibility shall be accompanied by appropriate standards of guidance concerning expected objectives in the exercise of such delegated authority and shall be accompanied by periodic review of the exercise of this delegated authority to the end that the public interest, in contrast to any institutional or special interest, shall be served.

SECTION 375.30.40. STUDENT SUPPORT SERVICES

The foregoing appropriation item 235-502, Student Support Services, shall be distributed by the Board of Regents to Ohio's state-assisted colleges and universities that incur disproportionate costs in the provision of support services to disabled students.

SECTION 375.30.50. OHIO INSTRUCTIONAL GRANTS

In each fiscal year, instructional grants for all eligible full-time students who have attended a college, university, or proprietary school and have completed coursework for college credit, excluding early college high school and post-secondary enrollment option students, prior to academic year 2006-2007, shall be made using the tables under section 3333.12 of the Revised Code.

Of the foregoing appropriation item 235-503, Ohio Instructional Grants, an amount in each fiscal year shall be used to make the payments authorized by division (C) of section 3333.26 of the Revised Code to the institutions described in that division. In addition, an amount in each fiscal year shall be used to reimburse the institutions described in division (B) of section 3333.26 of the Revised Code for the cost of the waivers required by that division.

The unencumbered balance of appropriation item 235-503, Ohio Instructional Grants, at the end of fiscal year 2008 shall be transferred to fiscal year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

SECTION 375.30.60. WAR ORPHANS SCHOLARSHIPS

The foregoing appropriation item 235-504, War Orphans Scholarships, shall be used to reimburse state-assisted institutions of higher education for waivers of instructional fees and general fees provided by them, to provide grants to institutions that have received a certificate of authorization from the Ohio Board of Regents under Chapter 1713. of the Revised Code, in accordance with the provisions of section 5910.04 of the Revised Code, and to fund additional scholarship benefits provided by section 5910.032 of the Revised Code.

SECTION 375.30.70. OHIOLINK

The foregoing appropriation item 235-507, OhioLINK, shall be used by the Board of Regents to support OhioLINK, the state's electronic library information and retrieval system, which provides access statewide to an extensive set of electronic databases and resources and the library holdings of all of Ohio's public colleges and universities, 44 private colleges, and the State Library of Ohio.

SECTION 375.30.80. AIR FORCE INSTITUTE OF TECHNOLOGY

The foregoing appropriation item 235-508, Air Force Institute of Technology, shall be used to strengthen the research and educational linkages between the Wright Patterson Air Force Base and institutions of higher education in Ohio. Of the foregoing appropriation item 235-508, Air Force Institute of Technology, \$1,358,588 in each fiscal year shall be used for research projects that connect the Air Force Research Laboratories with university partners. The institute shall provide annual reports to the Third Frontier Commission, that discuss existing, planned, or possible collaborations between programs and funding recipients related to technology, research development, commercialization, and support for Ohio's economic development.

Of the foregoing appropriation item 235-508, Air Force Institute of Technology, \$691,757 in each fiscal year shall be used to match federal dollars to support technology commercialization and job creation. The Development Research Corporation shall use the funds to create or expand Ohio-based technology and commercial development collaborations in areas that are a priority in Ohio's third frontier initiative between industry, academia, and government.

SECTION 375.30.90. OHIO SUPERCOMPUTER CENTER

The foregoing appropriation item 235-510, Ohio Supercomputer Center, shall be used by the Board of Regents to support the operation of the Ohio Supercomputer Center, located at The Ohio State University, as a statewide resource available to Ohio research universities both public and private. It is also intended that the center be made accessible to private industry as appropriate. Policies of the center shall be established by a governance committee, representative of Ohio's research universities and private industry, to be appointed by the Chancellor of the Board of Regents and established for this purpose.

Funds shall be used, in part, to support the Ohio Supercomputer Center's Computational Science Initiative which includes its industrial outreach program, Blue Collar Computing, and its School of Computational Science. These collaborations between the Ohio Supercomputer Center and Ohio's colleges and universities shall be aimed at making Ohio a leader in using computer modeling to promote economic development.

Of the foregoing appropriation item 235-510, Ohio Supercomputer Center, \$250,000 in each fiscal year shall be used to support the

Supercomputer Center's activities in Beavercreek.

SECTION 375.40.10. COOPERATIVE EXTENSION SERVICE

The foregoing appropriation item 235-511, Cooperative Extension Service, shall be disbursed through the Board of Regents to The Ohio State University in monthly payments, unless otherwise determined by the Director of Budget and Management under section 126.09 of the Revised Code.

Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$178,271 in each fiscal year shall be used for additional staffing for county agents for expanded 4-H activities. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$178,271 in each fiscal year shall be used by the Cooperative Extension Service, through the Enterprise Center for Economic Development in cooperation with other agencies, for a public-private effort to create and operate a small business economic development program to enhance the development of alternatives to the growing of tobacco, and implement, through applied research and demonstration, the production and marketing of other high-value crops and value-added products. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$55,179 in each fiscal year shall be used for farm labor mediation and education programs, \$182,515 in each fiscal year shall be used to support the Ohio State University Marion Enterprise Center, and \$772,931 in each fiscal year shall be used to support the Ohio Watersheds Initiative.

SECTION 375.40.20. OHIO UNIVERSITY VOINOVICH CENTER

The foregoing appropriation item 235-513, Ohio University Voinovich Center, shall be used by the Board of Regents to support the operations of Ohio University's Voinovich Center.

SECTION 375.40.30. PERFORMANCE STANDARDS FOR MEDICAL EDUCATION

The Board of Regents, in consultation with the state-assisted medical colleges, shall develop performance standards for medical education. Special emphasis in the standards shall be placed on attempting to ensure that at least 50 per cent of the aggregate number of students enrolled in state-assisted medical colleges continue to enter residency as primary care physicians. Primary care physicians are general family practice physicians,

general internal medicine practitioners, and general pediatric care physicians. The Board of Regents shall monitor medical school performance in relation to their plans for reaching the 50 per cent systemwide standard for primary care physicians.

SECTION 375.40.35. CENTRAL STATE SUPPLEMENT

The foregoing appropriation item 235-514, Central State Supplement, shall be used by Central State University to keep undergraduate fees below the statewide average, consistent with its mission of service to many first-generation college students from groups historically underrepresented in higher education and from families with limited incomes.

SECTION 375.40.40. CASE WESTERN RESERVE UNIVERSITY SCHOOL OF MEDICINE

The foregoing appropriation item 235-515, Case Western Reserve University School of Medicine, shall be disbursed to Case Western Reserve University through the Board of Regents in accordance with agreements entered into under section 3333.10 of the Revised Code, provided that the state support per full-time medical student shall not exceed that provided to full-time medical students at state universities.

SECTION 375.40.50. CAPITOL SCHOLARSHIP PROGRAM

The foregoing appropriation item 235-518, Capitol Scholarship Program, shall be used by the Board of Regents to provide scholarships to undergraduates of Ohio's four-year public and private institutions of higher education participating in the Washington Center Internship Program. A scholarship of \$1,800 shall be awarded to students enrolled in an institution operating on a quarter system, and a scholarship of \$2,300 shall be awarded to students enrolled in an institution operating on a semester system. The number of scholarships awarded shall be limited by the amounts appropriated in fiscal years 2008 and 2009. The Washington Center shall provide a minimum of \$1,300 per student in matching scholarships.

SECTION 375.40.60. FAMILY PRACTICE

The Board of Regents shall develop plans consistent with existing criteria and guidelines as may be required for the distribution of appropriation item 235-519, Family Practice.

SECTION 375.40.70. SHAWNEE STATE SUPPLEMENT

The foregoing appropriation item 235-520, Shawnee State Supplement, shall be used by Shawnee State University as detailed by both of the following:

(A) To allow Shawnee State University to keep its undergraduate fees below the statewide average, consistent with its mission of service to an economically depressed Appalachian region;

(B) To allow Shawnee State University to employ new faculty to develop and teach in new degree programs that meet the needs of Appalachians.

SECTION 375.40.80. OSU JOHN GLENN SCHOOL OF PUBLIC AFFAIRS

The foregoing appropriation item 235-521, The Ohio State University John Glenn School of Public Affairs, shall be used by the Board of Regents to support the operations of the Ohio State University's John Glenn School of Public Affairs.

SECTION 375.40.90. POLICE AND FIRE PROTECTION

The foregoing appropriation item 235-524, Police and Fire Protection, shall be used for police and fire services in the municipalities of Kent, Athens, Oxford, Fairborn, Bowling Green, Portsmouth, Xenia Township (Greene County), Rootstown Township, and the City of Nelsonville that may be used to assist these local governments in providing police and fire protection for the central campus of the state-affiliated university located therein. Each participating municipality and township shall receive at least \$5,000 in each fiscal year. Funds shall be distributed according to the method employed by the Board of Regents in the previous biennium.

SECTION 375.50.10. GERIATRIC MEDICINE

The Board of Regents shall develop plans consistent with existing criteria and guidelines as may be required for the distribution of appropriation item 235-525, Geriatric Medicine.

SECTION 375.50.20. PRIMARY CARE RESIDENCIES

The Board of Regents shall develop plans consistent with existing

criteria and guidelines as may be required for the distribution of appropriation item 235-526, Primary Care Residencies.

The foregoing appropriation item 235-526, Primary Care Residencies, shall be distributed in each fiscal year of the biennium, based on whether or not the institution has submitted and gained approval for a plan. If the institution does not have an approved plan, it shall receive five per cent less funding per student than it would have received from its annual allocation. The remaining funding shall be distributed among those institutions that meet or exceed their targets.

SECTION 375.50.30. OHIO AEROSPACE INSTITUTE

The foregoing appropriation item 235-527, Ohio Aerospace Institute, shall be distributed by the Board of Regents under section 3333.042 of the Revised Code.

The Board of Regents, in consultation with the Third Frontier Commission, shall develop a plan for providing for appropriate, value-added participation of the Ohio Aerospace Institute in Third Frontier Project proposals and grants.

SECTION 375.50.40. ACADEMIC SCHOLARSHIPS

The foregoing appropriation item 235-530, Academic Scholarships, shall be used to provide academic scholarships to students under section 3333.22 of the Revised Code.

SECTION 375.50.50. STUDENT CHOICE GRANTS

The foregoing appropriation item 235-531, Student Choice Grants, shall be used to provide Student Choice Grants under section 3333.27 of the Revised Code. The unencumbered balance of appropriation item 235-531, Student Choice Grants, at the end of fiscal year 2008 shall be transferred to fiscal year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

SECTION 375.50.60. OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER

The foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, shall be disbursed through the Board of Regents to The Ohio State University in monthly payments, unless otherwise determined by the Director of Budget and Management under section

126.09 of the Revised Code. The Ohio Agricultural Research and Development Center shall not be required to remit payment to The Ohio State University during the biennium ending June 30, 2009, for cost reallocation assessments. The cost reallocation assessments include, but are not limited to, any assessment on state appropriations to the Center.

The Ohio Agricultural Research and Development Center, an entity of the College of Food, Agricultural, and Environmental Sciences of The Ohio State University, shall further its mission of enhancing Ohio's economic development and job creation by continuing to internally allocate on a competitive basis appropriated funding of programs based on demonstrated performance. Academic units, faculty, and faculty-driven programs shall be evaluated and rewarded consistent with agreed-upon performance expectations as called for in the College's Expectations and Criteria for Performance Assessment.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$467,578 in each fiscal year shall be used to purchase equipment.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$822,592 in each fiscal year shall be distributed to the Piketon Agricultural Research and Extension Center.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$216,471 in each fiscal year shall be distributed to the Raspberry/Strawberry-Ellagic Acid Research program at The Ohio State University Medical College in cooperation with The Ohio State University College of Agriculture.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$43,294 in each fiscal year shall be used to support the Ohio Berry Administrator.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$86,588 in each fiscal year shall be used for the development of agricultural crops and products not currently in widespread production in Ohio, in order to increase the income and viability of family farmers.

SECTION 375.50.70. STATE UNIVERSITY CLINICAL TEACHING

The foregoing appropriation items 235-536, The Ohio State University Clinical Teaching; 235-537, University of Cincinnati Clinical Teaching; 235-538, University of Toledo Clinical Teaching; 235-539, Wright State University Clinical Teaching; 235-540, Ohio University Clinical Teaching; and 235-541, Northeastern Ohio Universities College of Medicine Clinical

Teaching, shall be distributed through the Board of Regents.

Of the foregoing appropriation item 235-539, Wright State University Clinical Teaching, \$124,644 in each fiscal year of the biennium shall be for the use of Wright State University's Ellis Institute for Clinical Teaching Studies to operate the clinical facility to serve the Greater Dayton area.

SECTION 375.50.80. SCHOOL OF INTERNATIONAL BUSINESS

Of the foregoing appropriation item 235-547, School of International Business, \$250,000 in each fiscal year shall be used for the continued development and support of the School of International Business of the state universities of northeast Ohio. The money shall go to The University of Akron. These funds shall be used by the university to establish a School of International Business located at The University of Akron. It may confer with Kent State University, Youngstown State University, and Cleveland State University as to the curriculum and other matters regarding the school.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in each fiscal year shall be used by the University of Toledo College of Business for expansion of its international business programs.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in each fiscal year shall be used to support the Ohio State University BioMEMS program.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in fiscal year 2009 shall be used to support the Supporting Education for the Returning Veterans (SERV) program at Cleveland State University.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in fiscal year 2009 shall be used to support the Veterans Upward Bound (VUB) program at Cuyahoga Community College.

SECTION 375.50.90. CAPITAL COMPONENT

The foregoing appropriation item 235-552, Capital Component, shall be used by the Board of Regents to implement the capital funding policy for state-assisted colleges and universities established in Am. H.B. 748 of the 121st General Assembly. Appropriations from this item shall be distributed to all campuses for which the estimated campus debt service attributable to new qualifying capital projects is less than the campus's formula-determined capital component allocation. Campus allocations shall be determined by subtracting the estimated campus debt service attributable to new qualifying

capital projects from the campus's formula-determined capital component allocation. Moneys distributed from this appropriation item shall be restricted to capital-related purposes.

Any campus for which the estimated campus debt service attributable to qualifying capital projects is greater than the campus's formula-determined capital component allocation shall have the difference subtracted from its State Share of Instruction allocation in each fiscal year. The sum of all such amounts shall be transferred from appropriation item 235-501, State Share of Instruction, to appropriation item 235-552, Capital Component.

SECTION 375.60.10. DAYTON AREA GRADUATE STUDIES INSTITUTE

The foregoing appropriation item 235-553, Dayton Area Graduate Studies Institute, shall be used by the Board of Regents to support the Dayton Area Graduate Studies Institute, an engineering graduate consortium of three universities in the Dayton area: Wright State University, the University of Dayton, and the Air Force Institute of Technology, with the participation of the University of Cincinnati and The Ohio State University.

Of the foregoing appropriation item 235-553, Dayton Area Graduate Studies Institute, \$350,000 in each fiscal year shall be used by the Development Research Corporation to support collaborative research and technology commercialization initiatives in Ohio.

SECTION 375.60.20. PRIORITIES IN COLLABORATIVE GRADUATE EDUCATION

The foregoing appropriation item 235-554, Priorities in Collaborative Graduate Education, shall be used to support improvements in graduate fields of study at state-assisted universities identified by the Board of Regents, in consultation with the Department of Development and the Department of Job and Family Services, as vital to the state's economic strategy or related to an area of workforce shortage. Each fiscal year, participating institutions shall collectively submit for Board of Regents approval a plan describing how they will work collaboratively to improve the quality of their graduate programs and how the funds are to be used for this purpose. The collaborative effort for Ph.D. computer science programs shall be coordinated by the Ohio Supercomputer Center as part of its School of Computational Science.

SECTION 375.60.30. LIBRARY DEPOSITORIES

The foregoing appropriation item, 235-555, Library Depositories, shall be distributed to the state's five regional depository libraries for the cost-effective storage of and access to lesser-used materials in university library collections. The distribution of funds shall be coordinated by the Board of Regents.

SECTION 375.60.40. OHIO ACADEMIC RESOURCES NETWORK (OARNET)

The foregoing appropriation item 235-556, Ohio Academic Resources Network, shall be used to support the operations of the Ohio Academic Resources Network, which shall include support for Ohio's state-assisted colleges and universities in maintaining and enhancing network connections and in using new network technologies to improve research, education, and economic development programs. The network shall give priority to supporting the Third Frontier Network and allocating bandwidth to programs directly supporting Ohio's economic development.

SECTION 375.60.50. LONG-TERM CARE RESEARCH

Of the foregoing appropriation item 235-558, Long-term Care Research, \$311,047 in each fiscal year shall be disbursed to Miami University for long-term care research.

Of the foregoing appropriation item 235-558, Long-term Care Research, \$100,000 in each fiscal year shall be disbursed to the University of Cincinnati to support Alzheimer's and dementia research pursuant to an affiliation agreement with the Alois Alzheimer Center.

Of the foregoing appropriation item 235-558, Long-term Care Research, \$50,000 in each fiscal year shall be used to support People Working Cooperatively, Inc.

SECTION 375.60.60. BOWLING GREEN STATE UNIVERSITY CANADIAN STUDIES CENTER

The foregoing appropriation item 235-561, Bowling Green State University Canadian Studies Center, shall be used by the Canadian Studies Center at Bowling Green State University to study opportunities for Ohio and Ohio businesses to benefit from the Free Trade Agreement between the United States and Canada.

SECTION 375.60.70. OHIO COLLEGE OPPORTUNITY GRANT PHASE-IN

The foregoing appropriation item 235-563, Ohio College Opportunity Grant, shall be used by the Board of Regents to begin to award needs-based financial aid to students based on the United States Department of Education's method of determining financial need. Students who enrolled in a public, private, or proprietary post-secondary institution of higher education for the first time in academic year 2006-2007, excluding early college high school and post-secondary enrollment option participants, shall be eligible to receive aid based on their expected family contributions as calculated by the United States Department of Education, according to section 3333.122 of the Revised Code.

Eligible expenditures from the foregoing appropriation item 235-563, Ohio College Opportunity Grant, shall be claimed each fiscal year to help meet the state's TANF maintenance of effort requirement. The Chancellor of the Board of Regents and the Director of Job and Family Services shall enter into an interagency agreement to carry out this paragraph, which shall include, but not be limited to, developing reporting guidelines for these expenditures.

SECTION 375.60.80. CENTRAL STATE UNIVERSITY SPEED TO SCALE

The foregoing appropriation 235-567, Central State University Speed to Scale, shall be used to achieve the goals of the Speed to Scale Plan, which include increasing student enrollment through freshman recruitment and transferred students, increasing the proportion of in-state students to 80 per cent of the total student population, and increasing the student retention rates between the first and second year of college by two per cent each year. The goals shall be accomplished by targeting student retention, improved articulation agreements with two-year campuses, increased use of alternative course options, including online coursework and Ohio Learning Network resources, College Tech Prep, Post Secondary Enrollment Options, and other dual-credit programs, and strategic partnerships with research institutions to improve the quality of Central State University's offering of science, technology, engineering, mathematics, and medical instruction. In fiscal year 2009, the disbursement of these funds shall be contingent upon Central State University meeting the annual goals for the student enrollment and first-to-second-year retention rate increases.

There is hereby created the Speed to Scale Task Force that shall meet not less than quarterly to discuss progress of the plan, including performance on accountability metrics, issues experienced in planned efforts, and to monitor and support the creation of partnerships with other state institutions of higher education. The Task Force shall consist of the president of Central State University or the president's designee, the president of Sinclair Community College or the president's designee, the president of Cincinnati State Technical and Community College or the president's designee, the president of Cuyahoga Community College or the president's designee, The Ohio State University or the president's designee, the president of the University of Cincinnati or the president's designee, one representative from the Board of Regents, one member of the House of Representatives appointed by the Speaker of the House of Representatives, one member of the Senate appointed by the President of the Senate, the Director of Budget and Management or the director's designee, and a representative of the Governor's Office as appointed by the Governor.

On the thirtieth day of June of each fiscal year, Central State University and the Speed to Scale Task Force shall jointly submit to the Governor, the Director of Budget and Management, the Speaker of the House of Representatives, the President of the Senate, and the Board of Regents a report describing the status of their progress on the accountability metrics included in the Speed to Scale plan.

SECTION 375.60.95. JAMES A. RHODES SCHOLARSHIP

The foregoing appropriation item 235-571, James A. Rhodes Scholarship, shall be used to match the funds raised by the James A. Rhodes Leadership Foundation for the purpose of providing scholarships to students who attend community colleges, state community colleges, and technical colleges. The focus of the scholarships shall be consistent with the goal of establishing a skilled workforce in the state. To receive the funds provided in this appropriation item, the Foundation shall raise at least \$10,000,000 from nonstate sources and shall enter into an agreement with the Chancellor of the Board of Regents.

SECTION 375.70.10. THE OHIO STATE UNIVERSITY CLINIC SUPPORT

The foregoing appropriation item 235-572, The Ohio State University Clinic Support, shall be distributed through the Board of Regents to The Ohio State University for support of dental and veterinary medicine clinics.

SECTION 375.70.15. OHIO HUMANITIES COUNCIL

The foregoing appropriation item 235-573, Ohio Humanities Council, shall be used to support humanities research, education, teacher development, and outreach activities through the Ohio Humanities Council.

SECTION 375.70.20. URBAN UNIVERSITY PROGRAM

Universities receiving funds from the foregoing appropriation item 235-583, Urban University Program, that are used to support an ongoing university unit shall certify periodically in a manner approved by the Board of Regents that program funds are being matched on a one-to-one basis with equivalent resources. Overhead support may not be used to meet this requirement. Where Urban University Program funds are being used to support an ongoing university unit, matching funds shall come from continuing rather than one-time sources. At each participating state-assisted institution of higher education, matching funds shall be within the substantial control of the individual designated by the institution's president as the Urban University Program representative.

Of the foregoing appropriation item 235-583, Urban University Program, \$117,215 in each fiscal year shall be used to support the Center for the Interdisciplinary Study of Education and the Urban Child at Cleveland State University. These funds shall be distributed according to rules adopted by the Board of Regents and shall be used by the center for interdisciplinary activities targeted toward increasing the chance of lifetime success of the urban child, including interventions beginning with the prenatal period. The primary purpose of the center is to study issues in urban education and to systematically map directions for new approaches and new solutions by bringing together a cadre of researchers, scholars, and professionals representing the social, behavioral, education, and health disciplines.

Of the foregoing appropriation item 235-583, Urban University Program, \$1,433,037 in each fiscal year shall be distributed by the Board of Regents to Cleveland State University in support of the Maxine Goodman Levin College of Urban Affairs.

Of the foregoing appropriation item 235-583, Urban University Program, \$1,433,037 in each fiscal year shall be distributed to the Northeast Ohio Research Consortium, the Urban Linkages Program, and the Urban Research Technical Assistance Grant Program. The distribution among the three programs shall be determined by the chair of the Urban University Program.

Of the foregoing appropriation item 235-583, Urban University Program, \$247,453 in each fiscal year shall be used to support a public communication outreach program (WCPN). The primary purpose of the program shall be to develop a relationship between Cleveland State University and nonprofit communications entities.

Of the foregoing appropriation item 235-583, Urban University Program, \$169,310 in each fiscal year shall be used to support the Kent State University Learning and Technology Project. This project is a kindergarten through university collaboration between schools surrounding Kent State University's eight campuses in northeast Ohio and corporate partners who will assist in development and delivery.

The Kent State University Project shall provide a faculty member who has a full-time role in the development of collaborative activities and teacher instructional programming between Kent State University and the K-12th grade schools that surround its eight campuses; appropriate student support staff to facilitate these programs and joint activities; and hardware and software to schools that will make possible the delivery of instruction to pre-service and in-service teachers, and their students, in their own classrooms or school buildings. This shall involve the delivery of low-bandwidth streaming video and web-based technologies in a distributed instructional model.

Of the foregoing appropriation item 235-583, Urban University Program, \$65,119 in each fiscal year shall be used to support the Ameritech Classroom/Center for Research at Kent State University.

Of the foregoing appropriation item 235-583, Urban University Program, \$723,547 in each fiscal year shall be used to support the Polymer Distance Learning Project at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$32,560 in each fiscal year shall be distributed to the Kent State University/Cleveland Design Center program.

Of the foregoing appropriation item 235-583, Urban University Program, \$513,886 in each fiscal year shall be used to support the Bliss Institute of Applied Politics at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$10,851 in each fiscal year shall be used for the Advancing-Up Program at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$139,777 in each fiscal year shall be used to support the Strategic Economic Research Collaborative at the University of Toledo Urban Affairs Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$164,777 in each fiscal year shall be used to support the Institute for Collaborative Research and Public Humanities at The Ohio State University.

Of the foregoing appropriation item 235-583, Urban University Program, \$425,368 in each fiscal year shall be used to support the Medina County University Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$150,000 in each fiscal year shall be used to support the Ohio State University African American and African Studies Community Extension Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$200,000 in each fiscal year shall be used to support the Cleveland Institute of Art.

SECTION 375.70.30. 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 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, \$59,829 in each fiscal year shall be used to support the COAD/ILGARD/GOA Appalachian Leadership Initiative.

SECTION 375.70.40. HAZARDOUS MATERIALS PROGRAM

The foregoing appropriation item 235-596, Hazardous Materials Program, shall be disbursed to Cleveland State University for the operation of a program to certify firefighters for the handling of hazardous materials.

Training shall be available to all Ohio firefighters.

Of the foregoing appropriation item 235-596, Hazardous Materials Program, \$177,337 in each fiscal year shall be used to support the Center for the Interdisciplinary Study of Education and Leadership in Public Service at Cleveland State University. These funds shall be distributed by the Board of Regents and shall be used by the center targeted toward increasing the role of special populations in public service and not-for-profit organizations. The primary purpose of the center is to study issues in public service and to guide strategies for attracting new communities into public service occupations by bringing together a cadre of researchers, scholars, and professionals representing the public administration, social behavioral, and education disciplines.

SECTION 375.70.50. NATIONAL GUARD SCHOLARSHIP PROGRAM

The Board of Regents shall disburse funds from appropriation item 235-599, National Guard Scholarship Program, at the direction of the Adjutant General. During each fiscal year, the Board of Regents, within ten days of cancellation, may certify to the Director of Budget and Management the amount of canceled prior-year encumbrances in appropriation item 235-599, National Guard Scholarship Program. Upon receipt of the certification, the Director of Budget and Management may transfer an amount up to the certified amount from the General Revenue Fund to the National Guard Scholarship Reserve Fund (Fund 5BM). Upon the request of the Adjutant General, the Board of Regents shall seek Controlling Board approval to establish appropriations in item 235-623, National Guard Scholarship Reserve Fund. The Board of Regents shall disburse funds from appropriation item 235-623, National Guard Scholarship Reserve Fund, at the direction of the Adjutant General.

*** SECTION 375.70.60. PLEDGE OF FEES**

Any new pledge of fees, or new agreement for adjustment of fees, made in the biennium ending June 30, 2009, to secure bonds or notes of a state-assisted institution of higher education for a project for which bonds or notes were not outstanding on the effective date of this section shall be effective only after approval by the Board of Regents, unless approved in a previous biennium.

SECTION 375.70.70. HIGHER EDUCATION GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 235-909, Higher Education General Obligation Debt Service, shall be used to pay all debt service and related financing costs at the times they are required to be made for obligations issued during the period from July 1, 2007, to June 30, 2009, under sections 151.01 and 151.04 of the Revised Code.

SECTION 375.70.80. SALES AND SERVICES

The Board of Regents is authorized to charge and accept payment for the provision of goods and services. Such charges shall be reasonably related to the cost of producing the goods and services. No charges may be levied for goods or services that are produced as part of the routine responsibilities or duties of the Board. All revenues received by the Board of Regents shall be deposited into Fund 456, and may be used by the Board of Regents to pay for the costs of producing the goods and services.

SECTION 375.70.90. OHIO HIGHER EDUCATIONAL FACILITY COMMISSION SUPPORT

The foregoing appropriation item 235-602, Higher Educational Facility Commission Administration, shall be used by the Board of Regents for operating expenses related to the Board of Regents' support of the activities of the Ohio Higher Educational Facility Commission. Upon the request of the chancellor, the Director of Budget and Management shall transfer up to \$50,000 cash in fiscal year 2008 and up to \$45,000 cash in fiscal year 2009 from Fund 461 to Fund 4E8.

SECTION 375.80.10. PHYSICIAN LOAN REPAYMENT

The foregoing appropriation item 235-604, Physician Loan Repayment, shall be used in accordance with sections 3702.71 to 3702.81 of the Revised Code.

SECTION 375.80.20. NURSING LOAN PROGRAM

The foregoing appropriation item 235-606, Nursing Loan Program, shall be used to administer the nurse education assistance program. Up to \$159,600 in fiscal year 2008 and \$167,580 in fiscal year 2009 may be used

for operating expenses associated with the program. Any additional funds needed for the administration of the program are subject to Controlling Board approval.

SECTION 375.80.30. REPAYMENT OF RESEARCH FACILITY INVESTMENT FUND MONEYS

Notwithstanding any provision of law to the contrary, all repayments of Research Facility Investment Fund loans shall be made to the Bond Service Trust Fund. All Research Facility Investment Fund loan repayments made prior to the effective date of this section shall be transferred by the Director of Budget and Management to the Bond Service Trust Fund within sixty days after the effective date of this section.

Campuses shall make timely repayments of Research Facility Investment Fund 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 375.80.40. VETERANS' PREFERENCES

The Board of Regents shall work with the Governor's Office of Veterans' Affairs to develop specific veterans' preference guidelines for higher education institutions. These guidelines shall ensure that the institutions' hiring practices are in accordance with the intent of Ohio's veterans' preference laws.

SECTION 375.80.50. STATE NEED-BASED FINANCIAL AID RECONCILIATION

By the first day of August in each fiscal year, or as soon thereafter as possible, the Ohio Board of Regents shall certify to the Director of Budget and Management the amount necessary to pay any outstanding prior year obligations to higher education institutions for the state's need-based financial aid programs. The amounts certified are hereby appropriated to appropriation item 235-618, State Need-based Financial Aid Reconciliation, from revenues received in the State Need-based Financial Aid Reconciliation Fund (Fund 5Y5).

SECTION 375.80.60. TRANSFERS TO STATE NEED-BASED FINANCIAL AID PROGRAMS

In each fiscal year of the biennium, 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 in 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 in 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 each fiscal year, 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 each fiscal year. 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 \$5,000,000 in total for the purpose of need-based financial aid in each fiscal year of the biennium.

SECTION 377.10. DRC DEPARTMENT OF REHABILITATION AND CORRECTION

General Revenue Fund

GRF 501-321	Institutional Operations	\$	892,162,864	\$	928,980,197
GRF 501-403	Prisoner Compensation	\$	8,599,255	\$	8,599,255
GRF 501-405	Halfway House	\$	41,214,205	\$	41,214,205
GRF 501-406	Lease Rental Payments	\$	107,607,100	\$	109,224,900
GRF 501-407	Community Nonresidential Programs	\$	16,514,626	\$	16,547,367
GRF 501-408	Community Misdemeanor Programs	\$	9,313,076	\$	9,313,076
GRF 501-501	Community Residential Programs - CBCF	\$	57,104,132	\$	57,104,132
GRF 502-321	Mental Health Services	\$	70,112,063	\$	73,405,363

GRF 503-321	Parole and Community Operations	\$	79,296,672	\$	82,739,767
GRF 504-321	Administrative Operations	\$	27,554,198	\$	28,658,273
GRF 505-321	Institution Medical Services	\$	199,073,620	\$	198,337,805
GRF 506-321	Institution Education Services	\$	23,784,868	\$	24,847,502
GRF 507-321	Institution Recovery Services	\$	7,319,028	\$	7,664,520
TOTAL GRF General Revenue Fund		\$	1,539,655,707	\$	1,586,636,362
General Services Fund Group					
148 501-602	Services and Agricultural	\$	104,485,807	\$	108,290,058
200 501-607	Ohio Penal Industries	\$	39,395,391	\$	40,845,414
4B0 501-601	Sewer Treatment Services	\$	2,331,003	\$	2,407,018
4D4 501-603	Prisoner Programs	\$	20,967,703	\$	20,967,703
4L4 501-604	Transitional Control	\$	2,051,451	\$	2,051,451
4S5 501-608	Education Services	\$	4,564,072	\$	4,564,072
483 501-605	Property Receipts	\$	393,491	\$	393,491
5AF 501-609	State and Non-Federal Awards	\$	262,718	\$	262,718
5H8 501-617	Offender Financial Responsibility	\$	2,500,000	\$	2,500,000
5L6 501-611	Information Technology Services	\$	3,741,980	\$	3,741,980
571 501-606	Training Academy Receipts	\$	75,190	\$	75,190
593 501-618	Laboratory Services	\$	5,799,999	\$	5,799,999
TOTAL GSF General Services Fund Group		\$	186,568,805	\$	191,899,094
Federal Special Revenue Fund Group					
3S1 501-615	Truth-In-Sentencing Grants	\$	8,709,142	\$	8,709,142
323 501-619	Federal Grants	\$	12,198,353	\$	12,198,353
3CJ 501-621	Medicaid Inpatient Services	\$	11,600,000	\$	15,500,000
TOTAL FED Federal Special Revenue Fund Group		\$	32,507,495	\$	36,407,495
TOTAL ALL BUDGET FUND GROUPS		\$	1,758,732,007	\$	1,814,942,951

OHIO BUILDING AUTHORITY LEASE PAYMENTS

The foregoing appropriation item 501-406, Lease Rental Payments, shall be used to meet all payments during the period from July 1, 2007, to June 30, 2009, under the primary leases and agreements for those buildings made under Chapter 152. of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 152. of the Revised Code.

PRISONER COMPENSATION

Money from the foregoing appropriation item 501-403, Prisoner Compensation, shall be transferred on a quarterly basis by intrastate transfer voucher to the Services and Agricultural Fund (Fund 148) for the purposes of paying prisoner compensation.

HIV/AIDS TESTING REENTRY PILOT PROGRAM

Of the foregoing appropriation item 505-321, Institution Medical Services, up to \$250,000 in each fiscal year shall be used for the HIV/AIDS testing re-entry pilot program at the Mansfield Correctional Institution. Prior to a prisoner's release from custody at the Mansfield Correctional Institution

under the control of the Department of Rehabilitation and Correction, the department shall examine and test a prisoner for HIV infection and any sexually transmitted disease. The department may examine and test involuntarily a prisoner who refuses to be tested.

SECTION 377.20. LIMA CORRECTIONAL INSTITUTION STUDY COMMITTEE

(A) There is hereby created the Lima Correctional Institution Study Committee, effective July 1, 2007. The Committee shall consist of the following nine members:

(1) The Director of Rehabilitation and Correction or the Director's designee;

(2) The eight members of the Correctional Institution Inspection Committee.

(B) The Director of Rehabilitation and Correction shall be the chairperson of the Lima Correctional Institution Study Committee.

(C) The Lima Correctional Institution Study Committee shall procure an independent feasibility study, performed by a consultant, through the Department of Rehabilitation and Correction. The study shall examine the highest and best use for the Lima Correctional Institution and shall examine, at a minimum, all of the following:

(1) State and local correctional needs and the utilization of state and local facilities to service those needs;

(2) The current condition and value of the Lima Correctional Institution;

(3) The cost to reopen the Lima Correctional Institution in part or in whole for a correctional purpose;

(4) Alternative uses for the Lima Correctional Institution;

(5) The funding options to utilize the Lima Correctional Institution;

(6) The economic impact of the Lima Correctional Institution on the Lima region and the potential non-prison economic development opportunities for a closed prison facility.

(D) The Lima Correctional Institution Study Committee and the consultant selected shall utilize the staff of the Department of Rehabilitation and Correction for research and other support functions as much as feasible.

(E) Of the foregoing appropriation item 501-321, Institutional Operations, \$50,000 in fiscal year 2008 shall be used to fund the feasibility study.

(F) The Lima Correctional Institution Study Committee shall submit a report of the Committee's findings not later than April 1, 2008, to the Governor, the President of the Senate, and the Speaker of the House of

Representatives. The Committee shall cease to exist after submitting the report.

SECTION 379.10. RSC REHABILITATION SERVICES COMMISSION

General Revenue Fund

GRF 415-100	Personal Services	\$	8,851,468	\$	8,851,468
GRF 415-402	Independent Living Council	\$	450,000	\$	450,000
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	\$	16,959,541	\$	17,259,541
GRF 415-508	Services for the Deaf	\$	50,000	\$	50,000
TOTAL GRF General Revenue Fund		\$	26,584,552	\$	26,884,552

General Services Fund Group

4W5 415-606	Program Management Expenses	\$	18,123,188	\$	18,557,040
467 415-609	Business Enterprise Operating Expenses	\$	1,632,082	\$	1,632,082
TOTAL GSF General Services Fund Group		\$	19,755,270	\$	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	\$	750,000	\$	750,000
3L1 415-608	Social Security Vocational Rehabilitation	\$	1,506,260	\$	1,506,260
3L4 415-612	Federal Independent Living Centers or Services	\$	648,908	\$	648,908
3L4 415-615	Federal - Supported Employment	\$	884,451	\$	796,006
3L4 415-617	Independent Living/Vocational Rehabilitation Programs	\$	1,490,944	\$	1,490,944
317 415-620	Disability Determination	\$	82,808,006	\$	87,546,215
379 415-616	Federal - Vocational Rehabilitation	\$	122,484,545	\$	123,638,578
TOTAL FED Federal Special Revenue Fund Group		\$	214,316,854	\$	220,120,651

State Special Revenue Fund Group

4L1 415-619	Services for Rehabilitation	\$	3,765,337	\$	4,500,000
468 415-618	Third Party Funding	\$	906,910	\$	906,910
TOTAL SSR State Special Revenue Fund Group		\$	4,672,247	\$	5,406,910
TOTAL ALL BUDGET FUND GROUPS		\$	265,328,923	\$	272,601,235

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

and shall be used to support state independent living centers and 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.

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.

VOCATIONAL REHABILITATION SERVICES

The foregoing appropriation item 415-506, Services for People with Disabilities, shall be used as state matching funds to provide vocational rehabilitation services to eligible consumers.

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.

NATIONAL ACCREDITATION COMPLIANCE

Of the foregoing appropriation item 415-616, Federal – Vocational Rehabilitation, \$125,000 in each fiscal year shall be used to establish and implement a Community Rehabilitation Program national accreditation compliance and monitoring program administered by the Ohio Association of Rehabilitation Facilities.

CLEVELAND SIGHT CENTER

Of the foregoing appropriation item 415-616, Federal – Vocational Rehabilitation, \$100,000 in each fiscal year shall be provided to the Cleveland Sight Center for Technology Initiative to purchase adaptive technology and software for the employment of Ohioans who are blind or visually impaired.

INDEPENDENT LIVING/VOCATIONAL REHABILITATION PROGRAMS

The foregoing appropriation item 415-617, Independent Living/Vocational Rehabilitation Programs, shall be used to support vocational rehabilitation programs.

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), to the extent funds are available, 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 415-608, Social Security Vocational Rehabilitation, 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 Program to pay its share of indirect costs as mandated by federal OMB Circular A-87.

PERFORMANCE AUDIT

The Auditor of State shall complete a performance audit of the Rehabilitation Services Commission. Upon completing the performance audit, the Auditor of State shall submit a report of the findings of the audit to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Board of Rehabilitation Services Commission. Expenses incurred by the Auditor of State to conduct the performance audit shall be reimbursed by the Rehabilitation Services Commission.

INTERNAL REVIEW

The Administrator of the Rehabilitation Services Commission shall consult with the Director of Budget and Management and representatives of local rehabilitation services agencies to conduct an internal review of policies and procedures to increase efficiency and identify and eliminate duplicative practices. Any savings identified as a result of the internal review or the performance audit conducted by the Auditor of State shall be used for community-based care.

The Administrator of the Rehabilitation Services Commission shall seek Controlling Board approval before expending any funds identified as a result of the internal review or the performance audit.

SECTION 381.10. RCB RESPIRATORY CARE BOARD

General Services Fund Group			
4K9 872-609 Operating Expenses	\$	491,628	\$ 481,768
TOTAL GSF General Services			
Fund Group	\$	491,628	\$ 481,768
TOTAL ALL BUDGET FUND GROUPS	\$	491,628	\$ 481,768

SECTION 383.10. RDF REVENUE DISTRIBUTION FUNDS

Volunteer Firefighters' Dependents Fund

085	800-900	Volunteer Firefighters' Dependents Fund	\$	300,000	\$	300,000
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TOTAL 085 Volunteer Firefighters' Dependents Fund			\$	300,000	\$	300,000
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Agency Fund Group

062	110-962	Resort Area Excise Tax	\$	1,000,000	\$	1,000,000
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063	110-963	Permissive Tax Distribution	\$	1,778,662,000	\$	1,849,000,000
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067	110-967	School District Income Tax	\$	325,000,000	\$	350,000,000
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4P8	001-698	Cash Management Improvement Fund	\$	3,050,000	\$	3,100,000
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608	001-699	Investment Earnings	\$	250,000,000	\$	250,000,000
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TOTAL AGY Agency Fund Group			\$	2,357,712,000	\$	2,453,100,000
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Holding Account Redistribution

R45	110-617	International Fuel Tax Distribution	\$	50,000,000	\$	50,000,000
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TOTAL 090 Holding Account Redistribution Fund			\$	50,000,000	\$	50,000,000
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Revenue Distribution Fund Group

049	038-900	Indigent Drivers Alcohol Treatment	\$	1,797,000	\$	1,832,000
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050	762-900	International Registration Plan Distribution	\$	54,475,631	\$	55,565,143
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051	762-901	Auto Registration Distribution	\$	500,000,000	\$	539,000,000
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054	110-954	Local Government Property Tax Replacement - Utility	\$	93,250,000	\$	95,125,000
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060	110-960	Gasoline Excise Tax Fund	\$	375,000,000	\$	375,000,000
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064	110-964	Local Government Revenue Assistance	\$	42,400,000	\$	0
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065	110-965	Library/Local Government Support Fund	\$	460,000,000	\$	464,500,000
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066	800-900	Undivided Liquor Permits	\$	13,500,000	\$	13,500,000
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068	110-968	State and Local Government Highway Distribution	\$	240,250,000	\$	242,500,000
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069	110-969	Local Government Fund	\$	730,700,000	\$	785,000,000
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081	110-981	Local Government Property Tax Replacement-Business	\$	262,500,000	\$	366,800,000
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082	110-982	Horse Racing Tax	\$	125,000	\$	130,000
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083	700-900	Ohio Fairs Fund	\$	2,277,000	\$	2,325,000
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088	110-900	Local Government Services Collaboration	\$	1,000,000	\$	0
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TOTAL RDF Revenue Distribution Fund Group			\$	2,777,274,631	\$	2,941,277,143
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TOTAL ALL BUDGET FUND GROUPS			\$	5,185,286,631	\$	5,444,677,143
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ADDITIONAL APPROPRIATIONS

Appropriation items in this section shall be used for the purpose of administering and distributing the designated revenue distribution funds according to the Revised Code. If it is determined that additional

appropriations are necessary for this purpose, such amounts are appropriated.

GENERAL REVENUE FUND TRANSFERS TO LOCAL GOVERNMENT PROPERTY TAX REPLACEMENT – BUSINESS (FUND 081)

Notwithstanding any provision of law to the contrary, in fiscal year 2008 and fiscal year 2009, the Director of Budget and Management may transfer from the General Revenue Fund to the Local Government Property Tax Replacement – Business (Fund 081) in the Revenue Distribution Fund, those amounts necessary to reimburse local taxing units under section 5751.22 of the Revised Code. Also, in fiscal year 2008 and fiscal year 2009, 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.

SECTION 384.10. LOCAL GOVERNMENT SERVICES COLLABORATION GRANT PROGRAM

(A) The Director of Development shall administer a Local Government Services Collaboration Grant Program. The Director may adopt rules under section 111.15 of the Revised Code and do all things necessary for that purpose.

(B) There is hereby created in the State Treasury the Local Government Services Collaboration Grant Fund (Fund 088). The fund shall consist of all cash deposited into it pursuant to Section 757.03 of this act. The fund shall be used by the Director of Development in administering the Local Government Services Collaboration Grant Program.

(C) The foregoing appropriation item 110-900, Local Government Services Collaboration, shall be used by the Director of Development to administer the Local Government Services Collaboration Grant Program. Moneys shall be used to provide grants to counties, municipal corporations, and townships that are interested in combining the provision of local government services with those of other counties, municipal corporations, or townships. Individual grant awards shall be used solely for the cost of conducting a feasibility study that addresses whether, and in what manner, counties, municipal corporations, and townships may combine their respective provision of local government services.

Individual grants shall be available on a competitive basis to a county, municipal corporation, or township that proposes to combine its provision of local government services with those of at least two other counties,

municipal corporations, or townships, or with any combination of at least two other counties, municipal corporations, or townships. Grants shall be awarded according to the following formula:

(1) For a total of, or for any combination of, three counties, municipal corporations, or townships, the grant shall be equal to fifty per cent of the total cost of the feasibility study, or not more than \$30,000;

(2) For a total of, or for any combination of, four counties, municipal corporations, or townships, the grant shall be equal to sixty per cent of the total cost of the feasibility study, or not more than \$40,000;

(3) For a total of, or for any combination of, five counties, municipal corporations, or townships, the grant shall be equal to seventy per cent of the total cost of the feasibility study, or not more than \$50,000;

(4) For a total of, or for any combination of, six counties, municipal corporations, or townships, the grant shall be equal to eighty per cent of the total cost of the feasibility study, or not more than \$60,000;

(5) For a total of, or for any combination of, seven counties, municipal corporations, or townships, the grant shall be equal to ninety per cent of the total cost of the feasibility study, or not more than \$70,000;

(6) For a total of, or for any combination of, eight or more counties, municipal corporations, or townships, the grant shall be equal to the total cost of the feasibility study, or not more than \$80,000.

(D) Of the foregoing appropriation item 110-900, Local Government Services Collaboration, not more than \$100,000 over the biennium may be used by the Department of Development for operating expenditures in administering the Local Government Services Collaboration Grant Program.

(E) Applicants for funding under the Local Government Services Collaboration Grant Program are encouraged to utilize the services of state-funded colleges and universities to conduct the feasibility studies referenced under this section.

(F) As used in this section, "local government services" means services typically provided by a county, municipal corporation, or township for the health, safety, and well-being of community residents and includes, but is not limited to, police and fire protection, 9-1-1 emergency service, trash collection, snow removal, road repair, and the provision of public utilities such as water and sewer services.

(G) On or before June 30, 2008, the unencumbered balance of the foregoing appropriation item 110-900, Local Government Services Collaboration, for fiscal year 2008 is hereby appropriated for the same purpose for fiscal year 2009.

SECTION 385.10. SAN BOARD OF SANITARIAN REGISTRATION

General Services Fund Group

4K9 893-609	Operating Expenses	\$	138,551	\$	138,551
TOTAL GSF General Services					
Fund Group		\$	138,551	\$	138,551
TOTAL ALL BUDGET FUND GROUPS					

SECTION 387.10. OSB OHIO STATE SCHOOL FOR THE BLIND

General Revenue Fund

GRF 226-100	Personal Services	\$	7,093,127	\$	7,519,318
GRF 226-200	Maintenance	\$	704,154	\$	704,154
GRF 226-300	Equipment	\$	113,288	\$	113,288
TOTAL GRF General Revenue Fund					

General Services Fund Group

4H8 226-602	School Improvement Grants	\$	37,514	\$	37,514
TOTAL GSF General Services					
Fund Group		\$	37,514	\$	37,514

Federal Special Revenue Fund Group

3P5 226-643	Medicaid Services Reimbursement	\$	50,000	\$	50,000
310 226-626	Multi-Handicapped Student Support	\$	2,527,105	\$	2,527,105
TOTAL FED Federal Special					
Revenue Fund Group		\$	2,577,105	\$	2,577,105

State Special Revenue Fund Group

4M5 226-601	Work Study and Donations	\$	217,397	\$	217,397
TOTAL SSR State Special Revenue					
Fund Group		\$	217,397	\$	217,397
TOTAL ALL BUDGET FUND GROUPS					

SECTION 389.10. OSD OHIO SCHOOL FOR THE DEAF

General Revenue Fund

GRF 221-100	Personal Services	\$	8,775,363	\$	9,263,862
GRF 221-200	Maintenance	\$	1,033,092	\$	1,033,092
GRF 221-300	Equipment	\$	222,500	\$	222,500
TOTAL GRF General Revenue Fund					

General Services Fund Group

4M1 221-602	School Improvement Grants	\$	38,000	\$	38,000
TOTAL GSF General Services					
Fund Group		\$	38,000	\$	38,000

Federal Special Revenue Fund Group

3AD 221-604	VREAL Ohio	\$	25,000	\$	25,000
3R0 221-684	Medicaid Services Reimbursement	\$	34,999	\$	34,999
3Y1 221-686	Federal Early Childhood Grant	\$	250,000	\$	250,000

Am. Sub. H. B. No. 119

1784

311 221-625	Statewide Outreach	\$	2,470,135	\$	2,470,135
TOTAL FED Federal Special Revenue Fund Group					
		\$	2,780,134	\$	2,780,134
State Special Revenue Fund Group					
4M0 221-601	Work Study and Donations	\$	95,000	\$	95,000
5H6 221-609	Preschool Program Support	\$	127,832	\$	125,358
TOTAL SSR State Special Revenue Fund Group					
		\$	222,832	\$	220,358
TOTAL ALL BUDGET FUND GROUPS					
		\$	13,071,921	\$	13,557,946

SECTION 391.10. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428	Lease Rental Payments	\$	22,702,000	\$	0
GRF 230-908	Common Schools General Obligation Debt Service	\$	284,768,400	\$	339,648,300
TOTAL GRF General Revenue Fund					
		\$	307,470,400	\$	339,648,300

State Special Revenue Fund Group

5E3 230-644	Operating Expenses	\$	7,749,813	\$	7,786,197
TOTAL SSR State Special Revenue Fund Group					
		\$	7,749,813	\$	7,786,197
TOTAL ALL BUDGET FUND GROUPS					
		\$	315,220,213	\$	347,434,497

SECTION 391.20. LEASE RENTAL PAYMENTS

The foregoing appropriation item 230-428, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Ohio School Facilities Commission under leases and agreements made under section 3318.26 of the Revised Code.

COMMON SCHOOLS GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 230-908, Common Schools General Obligation Debt Service, shall be used to pay all debt service and related financing costs at the times they are required to be made for obligations issued during the period from July 1, 2007, through June 30, 2009, under sections 151.01 and 151.03 of the Revised Code.

OPERATING EXPENSES

The foregoing appropriation item 230-644, Operating Expenses, shall be used by the Ohio School Facilities Commission to carry out its responsibilities under this section and Chapter 3318. of the Revised Code.

In both fiscal years 2008 and 2009, the Executive Director of the Ohio School Facilities Commission shall certify on a quarterly basis to the Director of Budget and Management the amount of cash from interest earnings to be transferred from the School Building Assistance Fund (Fund 032), the Public School Building Fund (Fund 021), and the Educational

Facilities Trust Fund (Fund N87) to the Ohio School Facilities Commission Fund (Fund 5E3). The amount transferred from the School Building Assistance Fund (Fund 032) may not exceed investment earnings credited to the fund, less any amount required to be paid for federal arbitrage rebate purposes.

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 under section 3318.05 of the Revised Code. The Executive Director of the Ohio School Facilities Commission shall certify the amounts of the canceled encumbrances to the Director of Budget and Management on a quarterly basis. The amounts of the canceled encumbrances are hereby appropriated.

SECTION 391.30. EXTREME ENVIRONMENTAL CONTAMINATION OF SCHOOL FACILITIES

Notwithstanding any other provision of law to the contrary, the Ohio 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 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 Ohio 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.

SECTION 391.40. CANTON CITY SCHOOL DISTRICT PROJECT

(A) The Ohio School Facilities Commission may commit up to thirty-five million dollars to the Canton City School District for construction of a facility described in this section, in lieu of a high school that would otherwise be authorized under Chapter 3318. of the Revised Code. The Commission shall not commit funds under this section unless all of the following conditions are met:

(1) The District has entered into a cooperative agreement with a state-assisted technical college.

(2) The District has received an irrevocable commitment of additional funding from nonpublic sources.

(3) The facility is intended to serve both secondary and postsecondary instructional purposes.

(B) The Commission shall enter into an agreement with the District for the construction of the facility authorized under this section that is separate from and in addition to the agreement required for the District's participation in the Classroom Facilities Assistance Program under section 3318.08 of the Revised Code. Notwithstanding that section and sections 3318.03, 3318.04, and 3318.083 of the Revised Code, the additional agreement shall provide, but not be limited to, the following:

(1) The Commission shall not have any oversight responsibilities over the construction of the facility.

(2) The facility need not comply with the specifications for plans and materials for high schools adopted by the Commission.

(3) The Commission may decrease the basic project cost that would otherwise be calculated for a high school under Chapter 3318. of the Revised Code.

(4) The state shall not share in any increases in the basic project cost for the facility above the amount authorized under this section.

All other provisions of Chapter 3318. of the Revised Code apply to the approval and construction of a facility authorized under this section.

The state funds committed to the facility authorized by this section shall be part of the total amount the state commits to the Canton City School District under Chapter 3318. of the Revised Code. All additional state funds committed to the Canton City School District for classroom facilities

assistance shall be subject to all provisions of Chapter 3318. of the Revised Code.

SECTION 391.50. CAREER-TECHNICAL LOAN PROGRAM

Within thirty days after the effective date of this section, or as soon as possible thereafter, the Executive Director of the Ohio School Facilities Commission shall certify the cash balance in the Career-Technical School Building Assistance Fund (Fund 020) to the Director of Budget and Management, who shall transfer that amount to the Public School Building Fund (Fund 021) and abolish the Career-Technical School Building Assistance Fund (Fund 020).

All repayments of current loans approved under section 3318.48 of the Revised Code, which is repealed by this act, shall be deposited to the credit of the Public School Building Fund (Fund 021). Should a district fail to submit the annual installment of the loan repayment within sixty days after the due date, the Department of Education, upon the request of the Executive Director of the Ohio School Facilities Commission, shall deduct the amount of the installment from payments due to a district under Chapter 3317. of the Revised Code or from any other funds appropriated to the district by the General Assembly, and shall transfer that amount to the Commission to the credit of the Public School Building Fund (Fund 021).

SECTION 393.10. SOS SECRETARY OF STATE

General Revenue Fund

GRF 050-321	Operating Expenses	\$	2,585,000	\$	2,585,000
GRF 050-403	Election Statistics	\$	103,936	\$	103,936
GRF 050-407	Pollworkers Training	\$	277,997	\$	277,997
GRF 050-409	Litigation Expenditures	\$	4,652	\$	4,652
TOTAL GRF General Revenue Fund		\$	2,971,585	\$	2,971,585

General Services Fund Group

4S8 050-610	Board of Voting Machine Examiners	\$	7,200	\$	7,200
412 050-609	Notary Commission	\$	685,249	\$	685,249
413 050-601	Information Systems	\$	119,955	\$	119,955
414 050-602	Citizen Education Fund	\$	55,712	\$	55,712
TOTAL General Services Fund Group		\$	868,116	\$	868,116

Federal Special Revenue Fund Group

3AH 050-614	Election Reform/Health and Human Services	\$	1,000,000	\$	1,000,000
3AS 050-616	2005 HAVA Voting Machines	\$	4,750,000	\$	2,750,000
3X4 050-612	Ohio Center/Law Related Educational Grant	\$	41,000	\$	41,000
TOTAL FED Federal Special Revenue Fund Group		\$	5,791,000	\$	3,791,000

State Special Revenue Fund Group

5N9 050-607	Technology Improvements	\$	129,565	\$	129,565
599 050-603	Business Services Operating Expenses	\$	13,761,734	\$	13,761,734
TOTAL SSR State Special Revenue Fund Group					
		\$	13,891,299	\$	13,891,299

Holding Account Redistribution Fund Group

R01 050-605	Uniform Commercial Code Refunds	\$	30,000	\$	30,000
R02 050-606	Corporate/Business Filing Refunds	\$	85,000	\$	85,000
TOTAL 090 Holding Account Redistribution Fund Group					
		\$	115,000	\$	115,000
TOTAL ALL BUDGET FUND GROUPS					
		\$	23,637,000	\$	21,637,000

BOARD OF VOTING MACHINE EXAMINERS

The foregoing appropriation item 050-610, Board of Voting Machine Examiners, shall be used to pay for the services and expenses of the members of the Board of Voting Machine Examiners, and for other expenses that are authorized to be paid from the Board of Voting Machine Examiners Fund, which is created in section 3506.05 of the Revised Code. Moneys not used shall be returned to the person or entity submitting the equipment for examination. If it is determined that additional appropriations are necessary, such amounts are appropriated.

2005 HAVA VOTING MACHINES

Of the foregoing appropriation item 050-616, 2005 HAVA Voting Machines, in fiscal year 2008 \$15,000 shall be distributed to the Vinton County Board of Elections and \$15,000 shall be distributed to the Morgan County Board of Elections to be used for emergency assistance for elections.

On July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer any remaining unexpended, unencumbered appropriations in Fund 3AS, appropriation item 050-616, 2005 HAVA Voting Machines, for use in fiscal year 2009. The transferred amount is hereby appropriated.

On July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer any remaining unexpended, unencumbered appropriations in Fund 3AH, appropriation item 050-614, Election Reform/Health and Human Services Fund, for use in fiscal year 2009. The transferred amount is hereby appropriated.

Ongoing interest earnings from the federal Election Reform/Health and Human Services Fund (Fund 3AH) and the 2005 HAVA Voting Machines Fund (Fund 3AS) shall be credited to the respective funds and distributed in accordance with the terms of the grant under which the money is received.

HOLDING ACCOUNT REDISTRIBUTION GROUP

The foregoing appropriation items 050-605 and 050-606, Holding Account Redistribution Fund Group, shall be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it is determined that additional appropriations are necessary, such amounts are appropriated.

SECTION 395.10. SEN THE OHIO SENATE**General Revenue Fund**

GRF 020-321	Operating Expenses	\$	11,778,439	\$	11,778,439
TOTAL GRF	General Revenue Fund	\$	11,778,439	\$	11,778,439

General Services Fund Group

102 020-602	Senate Reimbursement	\$	448,465	\$	448,465
409 020-601	Miscellaneous Sales	\$	34,497	\$	34,497
TOTAL GSF	General Services Fund Group	\$	482,962	\$	482,962
TOTAL ALL BUDGET FUND GROUPS		\$	12,261,401	\$	12,261,401

OPERATING EXPENSES

On July 1, 2007, or as soon as possible thereafter, the Clerk of the Senate shall certify to the Director of Budget and Management the total fiscal year 2007 unencumbered appropriations in appropriation item 020-321, Operating Expenses. The Clerk may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2007 unencumbered appropriations to fiscal year 2008 for use within appropriation item 020-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Clerk is hereby appropriated to appropriation item 020-321, Operating Expenses, in fiscal year 2008.

On July 1, 2008, or as soon as possible thereafter, the Clerk of the Senate shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 020-321, Operating Expenses. The Clerk may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2008 unencumbered appropriations to fiscal year 2009 for use within appropriation item 020-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Clerk is hereby appropriated to appropriation item 020-321, Operating Expenses, in fiscal year 2009.

SECTION 397.10. CSF COMMISSIONERS OF THE SINKING FUND**Debt Service Fund Group**

070 155-905	Third Frontier Research & Development Bond Retirement Fund	\$	14,349,500	\$	25,023,400
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Am. Sub. H. B. No. 119

1790

072	155-902	Highway Capital Improvement Bond Retirement Fund	\$	202,694,900	\$	205,139,500
073	155-903	Natural Resources Bond Retirement Fund	\$	24,713,800	\$	25,723,000
074	155-904	Conservation Projects Bond Service Fund	\$	14,847,200	\$	19,779,200
076	155-906	Coal Research and Development Bond Retirement Fund	\$	7,232,400	\$	8,192,500
077	155-907	State Capital Improvement Bond Retirement Fund	\$	178,713,600	\$	189,296,300
078	155-908	Common Schools Bond Retirement Fund	\$	292,268,400	\$	342,148,300
079	155-909	Higher Education Bond Retirement Fund	\$	175,972,400	\$	210,372,200
090	155-912	Job Ready Site Development Bond Retirement Fund	\$	4,359,400	\$	8,232,500
TOTAL DSF Debt Service Fund Group			\$	915,151,600	\$	1,033,906,900
TOTAL ALL BUDGET FUND GROUPS			\$	915,151,600	\$	1,033,906,900

ADDITIONAL APPROPRIATIONS

Appropriation items in this section are for the purpose of paying debt service and financing costs on bonds or notes of the state issued under the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 399.10. SOA SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

General Revenue Fund

GRF 945-321	Operating Expenses	\$	0	\$	475,220	
GRF 945-501	Southern Ohio Agricultural and Community Development Foundation	\$	0	\$	7,513,251	
TOTAL GRF General Revenue Fund			\$	0	\$	7,988,471
TOTAL ALL BUDGET FUND GROUPS			\$	0	\$	7,988,471

SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

The foregoing appropriation item 945-321, Operating Expenses, shall be used for the operating expenses of the Southern Ohio Agricultural and Community Development Foundation in administering programs under section 183.15 of the Revised Code.

The foregoing appropriation item 945-501, Southern Ohio Agricultural and Community Development Foundation, shall be used by the Southern Ohio Agricultural and Community Development Foundation for programs administered under section 183.15 of the Revised Code.

SECTION 401.10. SPE BOARD OF SPEECH-LANGUAGE
PATHOLOGY & AUDIOLOGY

General Services Fund Group

4K9 886-609	Operating Expenses	\$	430,600	\$	453,000
TOTAL GSF General Services					
Fund Group					
		\$	430,600	\$	453,000
TOTAL ALL BUDGET FUND GROUPS					
		\$	430,600	\$	453,000

SECTION 403.10. BTA BOARD OF TAX APPEALS

General Revenue Fund

GRF 116-321	Operating Expenses	\$	2,247,476	\$	2,281,188
TOTAL GRF General Revenue Fund					
		\$	2,247,476	\$	2,281,188
TOTAL ALL BUDGET FUND GROUPS					
		\$	2,247,476	\$	2,281,188

SECTION 405.10. TAX DEPARTMENT OF TAXATION

General Revenue Fund

GRF 110-321	Operating Expenses	\$	92,040,062	\$	92,440,062
GRF 110-404	Tobacco Settlement	\$	0	\$	328,034
Enforcement					
GRF 110-412	Child Support Administration	\$	71,680	\$	71,680
GRF 110-901	Property Tax Allocation -	\$	446,953,165	\$	478,613,618
Taxation					
GRF 110-906	Tangible Tax Exemption -	\$	9,177,962	\$	4,588,981
Taxation					
TOTAL GRF General Revenue Fund					
		\$	548,242,869	\$	576,042,375

General Services Fund Group

433 110-602	Tape File Account	\$	125,000	\$	140,000
5BQ 110-629	Commercial Activity Tax	\$	6,000,000	\$	6,000,000
Administration					
5W4 110-625	Centralized Tax Filing and	\$	400,000	\$	200,000
Payment					
5W7 110-627	Exempt Facility	\$	100,000	\$	150,000
Administration					
5CZ 110-631	Vendor's License Application	\$	1,000,000	\$	1,000,000
TOTAL GSF General Services					
Fund Group					
		\$	7,625,000	\$	7,490,000

State Special Revenue Fund Group

4C6 110-616	International Registration Plan	\$	706,855	\$	706,855
4R6 110-610	Tire Tax Administration	\$	125,000	\$	150,000
435 110-607	Local Tax Administration	\$	17,250,000	\$	17,250,000
436 110-608	Motor Vehicle Audit	\$	1,200,000	\$	1,200,000
437 110-606	Litter Tax and Natural	\$	675,000	\$	800,000
Resource Tax Administration					
438 110-609	School District Income Tax	\$	3,600,000	\$	3,600,000
5N5 110-605	Municipal Income Tax	\$	500,000	\$	500,000
Administration					

Am. Sub. H. B. No. 119

1792

5N6	110-618	Kilowatt Hour Tax Administration	\$	125,000	\$	175,000
5V7	110-622	Motor Fuel Tax Administration	\$	4,700,000	\$	5,000,000
5V8	110-623	Property Tax Administration	\$	13,500,000	\$	13,500,000
639	110-614	Cigarette Tax Enforcement	\$	100,000	\$	100,000
642	110-613	Ohio Political Party Distributions	\$	600,000	\$	600,000
688	110-615	Local Excise Tax Administration	\$	210,000	\$	180,000
TOTAL SSR State Special Revenue Fund Group			\$	43,291,855	\$	43,761,855
Agency Fund Group						
095	110-995	Municipal Income Tax	\$	21,000,000	\$	21,000,000
425	110-635	Tax Refunds	\$	1,565,900,000	\$	1,546,800,000
TOTAL AGY Agency Fund Group			\$	1,586,900,000	\$	1,567,800,000
Holding Account Redistribution Fund Group						
R10	110-611	Tax Distributions	\$	50,000	\$	50,000
R11	110-612	Miscellaneous Income Tax Receipts	\$	50,000	\$	50,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	100,000	\$	100,000
TOTAL ALL BUDGET FUND GROUPS			\$	2,186,159,724	\$	2,195,194,230

HOMESTEAD EXEMPTION, PROPERTY TAX ROLLBACK, AND TANGIBLE TAX EXEMPTION

The foregoing appropriation item 110-901, Property Tax Allocation - Taxation, is hereby appropriated to pay for the state's costs incurred because of the Homestead Exemption, the Manufactured Home Property Tax Rollback, and the Property Tax Rollback. The Tax Commissioner shall distribute these funds directly to the appropriate local taxing districts, except for school districts, notwithstanding the provisions in sections 321.24 and 323.156 of the Revised Code, which provide for payment of the Homestead Exemption, the Manufactured Home Property Tax Rollback, and Property Tax Rollback by the Tax Commissioner to the appropriate county treasurer and the subsequent redistribution of these funds to the appropriate local taxing districts by the county auditor.

The foregoing appropriation item 110-906, Tangible Tax Exemption - Taxation, is hereby appropriated to pay for the state's costs incurred because of the tangible personal property tax exemption required by division (C)(3) of section 5709.01 of the Revised Code. The Tax Commissioner shall distribute to each county treasurer the total amount appearing in the notification from the county treasurer under division (G) of section 321.24 of the Revised Code for all local taxing districts located in the county except for school districts, notwithstanding the provision in section 321.24 of the Revised Code which provides for payment of the \$10,000 tangible personal property tax exemption by the Tax Commissioner to the appropriate county

treasurer for all local taxing districts located in the county including school districts. The county auditor shall distribute the amount paid by the Tax Commissioner among the appropriate local taxing districts except for school districts under division (G) of section 321.24 of the Revised Code.

Upon receipt of these amounts, each local taxing district shall distribute the amount among the proper funds as if it had been paid as real or tangible personal property taxes. Payments for the costs of administration shall continue to be paid to the county treasurer and county auditor as provided for in sections 319.54, 321.26, and 323.156 of the Revised Code.

Any sums, in addition to the amounts specifically appropriated in appropriation items 110-901, Property Tax Allocation - Taxation, for the Homestead Exemption, the Manufactured Home Property Tax Rollback, and the Property Tax Rollback payments, and 110-906, Tangible Tax Exemption - Taxation, for the \$10,000 tangible personal property tax exemption payments, which are determined to be necessary for these purposes, are hereby appropriated.

MUNICIPAL INCOME TAX

The foregoing appropriation item 110-995, Municipal Income Tax, shall be used to make payments to municipal corporations under section 5745.05 of the Revised Code. If it is determined that additional appropriations are necessary to make these payments, such amounts are hereby appropriated.

TAX REFUNDS

The foregoing appropriation item 110-635, Tax Refunds, shall be used to pay refunds under section 5703.052 of the Revised Code. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

INTERNATIONAL REGISTRATION PLAN AUDIT

The foregoing appropriation item 110-616, International Registration Plan, shall be used under section 5703.12 of the Revised Code for audits of persons with vehicles registered under the International Registration Plan.

TRAVEL EXPENSES FOR THE STREAMLINED SALES TAX PROJECT

Of the foregoing appropriation item 110-607, Local Tax Administration, the Tax Commissioner may disburse funds, if available, for the purposes of paying travel expenses incurred by members of Ohio's delegation to the Streamlined Sales Tax Project, as appointed under section 5740.02 of the Revised Code. Any travel expense reimbursement paid for by the Department of Taxation shall be done in accordance with applicable state laws and guidelines.

LITTER CONTROL TAX ADMINISTRATION FUND

Notwithstanding section 5733.12 of the Revised Code, during the period from July 1, 2007, to June 30, 2008, the amount of \$675,000, and during the period from July 1, 2008, to June 30, 2009, the amount of \$800,000, received by the Tax Commissioner under Chapter 5733. of the Revised Code, shall be credited to the Litter Control Tax Administration Fund (Fund 437).

CENTRALIZED TAX FILING AND PAYMENT FUND

The Director of Budget and Management, under a plan submitted by the Tax Commissioner, or as otherwise determined by the Director of Budget and Management, shall set a schedule to transfer cash from the General Revenue Fund to the credit of the Centralized Tax Filing and Payment Fund (Fund 5W4). The transfers of cash shall not exceed \$600,000 in the biennium.

COMMERCIAL ACTIVITY TAX ADMINISTRATION FUND

The foregoing appropriation item 110-629, Commercial Activity Tax Administration Fund (Fund 5BQ), shall be used to pay expenses incurred by the Department of Taxation to implement and administer the Commercial Activity Tax under Chapter 5751. of the Revised Code.

Notwithstanding section 3734.9010, division (B)(2)(c) of section 4505.09, division (B) of section 5703.12, section 5703.80, division (C)(6) of section 5727.81, sections 5733.122 and 5735.053, division (C) of section 5739.21, section 5745.03, section 5743.024, section 5743.15, division (C) of section 5747.03, and section 5747.113 of the Revised Code or any other provisions to the contrary, any residual cash balances determined and certified by the Tax Commissioner to the Director of Budget and Management shall be transferred on July 1, 2007, or as soon as possible thereafter, to the Commercial Activities Tax Administration Fund (Fund 5BQ).

TOBACCO SETTLEMENT ENFORCEMENT

The foregoing appropriation item 110-404, Tobacco Settlement Enforcement, shall be used by the Tax Commissioner to pay costs incurred in the enforcement of divisions (F) and (G) of section 5743.03 of the Revised Code.

SECTION 407.10. DOT DEPARTMENT OF TRANSPORTATION

Transportation Modes

General Revenue Fund

GRF 775-451	Public Transportation - State	\$	16,700,000	\$	17,000,000
GRF 776-465	Ohio Rail Development Commission	\$	3,700,000	\$	3,700,000
GRF 776-466	Railroad Crossing/Grade	\$	789,600	\$	789,600

	Separation			
GRF 777-471	Airport Improvements - State	\$	3,293,985	\$ 1,794,003
TOTAL GRF General Revenue Fund		\$	24,483,585	\$ 23,283,603
TOTAL ALL BUDGET FUND GROUPS		\$	24,483,585	\$ 23,283,603

PUBLIC TRANSPORTATION - STATE

Of the foregoing GRF appropriation item 775-451, Public Transportation - State, \$200,000 in fiscal year 2008 shall be used for the Cleveland Metropolitan Park District West Creek Project.

TRANSPORTATION STUDY

Of the foregoing appropriation item 775-451, Public Transportation-State, \$50,000 in fiscal year 2008 shall be used for a Franklin County school transportation study to determine the feasibility of a countywide pupil transportation system.

AIRPORT IMPROVEMENTS

Of the foregoing appropriation item 777-471, Airport Improvements - State, \$1,500,000 in fiscal year 2008 shall be used for air travel and support and economic development of statewide airports. The Directors of Development and Transportation may enter into one or more interagency agreements between their two departments as necessary to implement a statewide strategy to enhance Ohio's airports as centers of regional economic development.

SECTION 409.10. TOS TREASURER OF STATE

General Revenue Fund

GRF 090-321	Operating Expenses	\$	9,313,195	\$ 9,313,195
GRF 090-401	Office of the Sinking Fund	\$	537,223	\$ 537,223
GRF 090-402	Continuing Education	\$	448,843	\$ 448,843
GRF 090-524	Police and Fire Disability Pension Fund	\$	14,000	\$ 12,000
GRF 090-534	Police & Fire Ad Hoc Cost of Living	\$	140,000	\$ 130,000
GRF 090-554	Police and Fire Survivor Benefits	\$	910,000	\$ 865,000
GRF 090-575	Police and Fire Death Benefits	\$	20,000,000	\$ 20,000,000
TOTAL GRF General Revenue Fund		\$	31,363,261	\$ 31,306,261

General Services Fund Group

4E9 090-603	Securities Lending Income	\$	3,164,000	\$ 3,314,000
577 090-605	Investment Pool Reimbursement	\$	550,000	\$ 550,000
605 090-609	Treasurer of State Administrative Fund	\$	350,000	\$ 350,000
TOTAL GSF General Services Fund Group		\$	4,064,000	\$ 4,214,000

State Special Revenue Fund Group

Am. Sub. H. B. No. 119

1796

5C5 090-602 County Treasurer Education	\$	135,000	\$	135,000
TOTAL SSR State Special Revenue				
Fund Group	\$	135,000	\$	135,000
Agency Fund Group				
425 090-635 Tax Refunds	\$	31,000,000	\$	31,000,000
TOTAL Agency Fund Group	\$	31,000,000	\$	31,000,000
TOTAL ALL BUDGET FUND GROUPS	\$	66,562,261	\$	66,655,261

SECTION 409.10.10. OFFICE OF THE SINKING FUND

The foregoing appropriation item 090-401, Office of the Sinking Fund, shall be used for financing and other costs incurred by or on behalf of the Commissioners of the Sinking Fund, the Ohio Public Facilities Commission or its secretary, or the Treasurer of State, with respect to State of Ohio general obligation bonds or notes, including, but not limited to, printing, advertising, delivery, rating fees and the procurement of ratings, professional publications, membership in professional organizations, and services referred to in division (D) of section 151.01 of the Revised Code. The General Revenue Fund shall be reimbursed for such costs by intrastate transfer voucher pursuant to a certification by the Office of the Sinking Fund of the actual amounts used. The amounts necessary to make such reimbursements are appropriated from the general obligation bond retirement funds created by the Constitution and laws to the extent such costs are incurred.

POLICE AND FIRE DEATH BENEFIT FUND

The foregoing appropriation item 090-575, Police and Fire Death Benefits, shall be disbursed quarterly by the Treasurer of State at the beginning of each quarter of each fiscal year to the Board of Trustees of the Ohio Police and Fire Pension Fund. The Treasurer of State shall certify such amounts quarterly to the Director of Budget and Management. By the twentieth day of June of each fiscal year, the Board of Trustees of the Ohio Police and Fire Pension Fund shall certify to the Treasurer of State the amount disbursed in the current fiscal year to make the payments required by section 742.63 of the Revised Code and shall return to the Treasurer of State moneys received from this appropriation item but not disbursed.

TAX REFUNDS

The foregoing appropriation item 090-635, Tax Refunds, shall be used to pay refunds under section 5703.052 of the Revised Code. If the Director of Budget and Management determines that additional amounts are necessary for this purpose, such amounts are hereby appropriated.

SECTION 411.10. TTA OHIO TUITION TRUST AUTHORITY

State Special Revenue Fund Group

5AM 095-603	Index Savings Plan	\$	2,376,852	\$	2,425,777
5DC 095-604	Banking Products	\$	1,631,283	\$	1,648,123
5P3 095-602	Variable College Savings Fund	\$	2,031,354	\$	2,063,596
645 095-601	Operating Expenses	\$	872,086	\$	881,169
TOTAL SSR State Special Revenue Fund Group					
		\$	6,911,575	\$	7,018,665
TOTAL ALL BUDGET FUND GROUPS					
		\$	6,911,575	\$	7,018,665

SECTION 413.10. OVH OHIO VETERANS' HOME

General Revenue Fund

GRF 430-100	Personal Services	\$	23,085,261	\$	24,403,903
GRF 430-200	Maintenance	\$	7,835,544	\$	8,458,613
GRF 430-402	Hall of Fame	\$	125,000	\$	125,000
TOTAL GRF General Revenue Fund					
		\$	31,045,805	\$	32,987,516

General Services Fund Group

484 430-603	Veterans Home Services	\$	375,880	\$	375,880
TOTAL GSF General Services Fund Group					
		\$	375,880	\$	375,880

Federal Special Revenue Fund Group

3BX 430-609	Medicare Services	\$	1,446,807		1,446,807
3L2 430-601	Veterans Home Operations - Federal	\$	15,290,320	\$	15,410,471

TOTAL FED Federal Special Revenue Fund Group					
		\$	16,737,127	\$	16,857,278

State Special Revenue Fund Group

4E2 430-602	Veterans Home Operating	\$	8,530,800	\$	8,530,800
604 430-604	Veterans Home Improvement	\$	770,096	\$	770,096

TOTAL SSR State Special Revenue Fund Group					
		\$	9,300,896	\$	9,300,896
TOTAL ALL BUDGET FUND GROUPS					
		\$	57,459,708	\$	59,521,570

CORNERSTONE OF HOPE

Of the foregoing appropriation item 430-100, Personal Services, \$100,000 in each fiscal year shall be distributed to Cornerstone of Hope to be used to provide professional counseling services for individuals who have recently lost family members who were service men and service women in the United States Armed Forces.

SECTION 415.10. VET VETERANS' ORGANIZATIONS

General Revenue Fund

VAP AMERICAN EX-PRISONERS OF WAR					
GRF 743-501	State Support	\$	27,533	\$	27,533
VAN ARMY AND NAVY UNION, USA, INC.					

GRF 746-501	State Support	\$	60,513	\$	60,513
VKW KOREAN WAR VETERANS					
GRF 747-501	State Support	\$	54,398	\$	54,398
VJW JEWISH WAR VETERANS					
GRF 748-501	State Support	\$	32,687	\$	32,687
VCW CATHOLIC WAR VETERANS					
GRF 749-501	State Support	\$	63,789	\$	63,789
VPH MILITARY ORDER OF THE PURPLE HEART					
GRF 750-501	State Support	\$	62,015	\$	62,015
VVV VIETNAM VETERANS OF AMERICA					
GRF 751-501	State Support	\$	204,549	\$	204,549
VAL AMERICAN LEGION OF OHIO					
GRF 752-501	State Support	\$	332,561	\$	332,561
VII AMVETS					
GRF 753-501	State Support	\$	316,711	\$	316,711
VAV DISABLED AMERICAN VETERANS					
GRF 754-501	State Support	\$	237,939	\$	237,939
VMC MARINE CORPS LEAGUE					
GRF 756-501	State Support	\$	127,569	\$	127,569
V37 37TH DIVISION AEF VETERANS' ASSOCIATION					
GRF 757-501	State Support	\$	6,541	\$	6,541
VFW VETERANS OF FOREIGN WARS					
GRF 758-501	State Support	\$	271,277	\$	271,277
TOTAL GRF General Revenue Fund		\$	1,798,082	\$	1,798,082
TOTAL ALL BUDGET FUND GROUPS		\$	1,798,082	\$	1,798,082

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. 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.

SECTION 417.10. DVM STATE VETERINARY MEDICAL BOARD

General Services Fund Group

4K9 888-609	Operating Expenses	\$	322,740	\$	327,312
5BU 888-602	Veterinary Student Loan Program	\$	60,000	\$	0
TOTAL GSF General Services Fund Group		\$	382,740	\$	327,312
TOTAL ALL BUDGET FUND GROUPS		\$	382,740	\$	327,312

SECTION 419.10. DYS DEPARTMENT OF YOUTH SERVICES

General Revenue Fund

GRF 470-401	RECLAIM Ohio	\$	186,338,297	\$	190,599,131
GRF 470-412	Lease Rental Payments	\$	24,207,700	\$	24,208,700
GRF 470-510	Youth Services	\$	18,558,587	\$	18,558,587
GRF 472-321	Parole Operations	\$	15,356,904	\$	15,764,729
GRF 477-321	Administrative Operations	\$	14,754,420	\$	14,754,419
TOTAL GRF General Revenue Fund		\$	259,215,908	\$	263,885,566
General Services Fund Group					
175 470-613	Education Reimbursement	\$	9,985,035	\$	10,550,725
4A2 470-602	Child Support	\$	328,657	\$	328,657

Am. Sub. H. B. No. 119

1800

4G6 470-605	General Operational Funds	\$	49,713	\$	50,955
4G6 470-631	SCALE Program	\$	100,000	\$	100,000
479 470-609	Employee Food Service	\$	137,666	\$	137,666
5BN 470-629	E-Rate Program	\$	200,000	\$	200,000
TOTAL GSF General Services					
Fund Group		\$	10,801,071	\$	11,368,003
Federal Special Revenue Fund Group					
3BH 470-630	Federal Juvenile Programs FFY 06	\$	100,000	\$	50,000
3BT 470-634	Federal Juvenile Programs	\$	300,000	\$	50,000
3BY 470-635	Federal Juvenile Programs FFY 07	\$	903,350	\$	350,000
3BZ 470-636	Federal Juvenile Programs FFY 08	\$	0	\$	653,350
3V5 470-604	Juvenile Justice/Delinquency Prevention	\$	2,750,000	\$	2,750,000
3Z9 470-626	Federal Juvenile Programs FFY 05	\$	142,253	\$	0
321 470-601	Education	\$	5,202,160	\$	5,473,109
321 470-603	Juvenile Justice Prevention	\$	51,000	\$	30,000
321 470-606	Nutrition	\$	2,908,369	\$	2,981,078
321 470-610	Rehabilitation Programs	\$	36,000	\$	36,000
321 470-614	Title IV-E Reimbursements	\$	6,162,670	\$	6,316,737
321 470-617	Americorps Programs	\$	463,700	\$	463,700
321 470-633	Project Re-entry	\$	1,017,843	\$	1,017,843
TOTAL FED Federal Special Revenue					
Fund Group		\$	20,037,345	\$	20,171,817
State Special Revenue Fund Group					
147 470-612	Vocational Education	\$	2,074,710	\$	2,141,823
5BH 470-628	Partnerships for Success	\$	1,500,000	\$	1,500,000
TOTAL SSR State Special Revenue					
Fund Group		\$	3,574,710	\$	3,641,823
TOTAL ALL BUDGET FUND GROUPS					
		\$	293,629,034	\$	299,067,209

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 to meet all payments to the Ohio Building Authority for the period from July 1, 2007, to June 30, 2009, under the leases and agreements for facilities made under Chapter 152. of the Revised Code. 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.

SECTION 503.03. PERSONAL SERVICE EXPENSES

Unless otherwise prohibited by law, any appropriation from which personal service expenses are paid shall bear the employer's share of public employees' retirement, workers' compensation, disabled workers' relief, and all group insurance programs; the costs of centralized accounting, centralized payroll processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Employee Assistance Program; the cost of the affirmative action and equal employment opportunity programs administered by the Department of Administrative Services; the costs of interagency information management infrastructure; and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. These costs shall be determined in conformity with the appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management. Expenditures from appropriation item 070-601, Public Audit Expense - Local Government, in Fund 422 may be exempted from the requirements of this section.

SECTION 503.06. SATISFACTION OF JUDGMENTS AND SETTLEMENTS AGAINST THE STATE

Except as otherwise provided in this section, an appropriation 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 does 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 statute to the contrary, this authorization includes

appropriations from funds into which proceeds of 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, and is not intended to waive or compromise any defense or right available to the state in any suit against it.

SECTION 503.09. CAPITAL PROJECT SETTLEMENTS

This section specifies an additional and supplemental procedure to provide for payments of judgments and settlements if the Director of Budget and Management determines, pursuant to division (C)(4) of section 2743.19 of the Revised Code, that sufficient unencumbered moneys do not exist in the particular appropriation to pay the amount of a final judgment rendered against the state or a state agency, including the settlement of a claim approved by a court, in an action upon and arising out of a contractual obligation for the construction or improvement of a capital facility if the costs under the contract were payable in whole or in part from a state capital projects appropriation. In such a case, the director may either proceed pursuant to division (C)(4) of section 2743.19 of the Revised Code or apply to the Controlling Board to increase an appropriation or create an appropriation out of any unencumbered moneys in the state treasury to the credit of the capital projects fund from which the initial state appropriation was made. The Controlling Board may approve or disapprove the application as submitted or modified. The amount of an increase in appropriation or new appropriation specified in an application approved by the Controlling Board is hereby appropriated from the applicable capital projects fund and made available for the payment of the judgment or settlement.

If the director does not make the application authorized by this section or the Controlling Board disapproves the application, and the director does not make application under division (C)(4) of section 2743.19 of the Revised Code, the director shall for the purpose of making that payment make a request to the General Assembly as provided for in division (C)(5) of that section.

SECTION 503.12. RE-ISSUANCE OF VOIDED WARRANTS

In order to provide funds for the reissuance of voided warrants under

section 117.47 of the Revised Code, there is hereby appropriated, out of moneys in the state treasury from the fund credited as provided in section 117.47 of the Revised Code, that amount sufficient to pay such warrants when approved by the Office of Budget and Management.

SECTION 503.15. REAPPROPRIATION OF UNEXPENDED ENCUMBERED BALANCES OF OPERATING APPROPRIATIONS

Except for amounts of \$50,000,000 or more that are encumbered from the General Revenue Fund for program subsidy payments, which the Director of Budget and Management must submit to the Controlling Board for approval, and General Revenue Fund encumbrances for planned program subsidy payments of \$1,000,000 or more but below \$50,000,000, which the Director of Budget and Management must report to the Controlling Board, an unexpended balance of an operating appropriation or reappropriation that a state agency lawfully encumbered prior to the close of a fiscal year is reappropriated on the first day of July of the following fiscal year from the fund from which it was originally appropriated or reappropriated for the following period and shall remain available only for the purpose of discharging the encumbrance:

(A) For an encumbrance for personal services, maintenance, equipment, or items for resale, other than an encumbrance for an item of special order manufacture not available on term contract or in the open market or for reclamation of land or oil and gas wells for a period of not more than five months from the end of the fiscal year;

(B) For an encumbrance for an item of special order manufacture not available on term contract or in the open market, for a period of not more than five months from the end of the fiscal year or, with the written approval of the Director of Budget and Management, for a period of not more than twelve months from the end of the fiscal year;

(C) For an encumbrance for reclamation of land or oil and gas wells, for a period ending when the encumbered appropriation is expended or for a period of two years, whichever is less;

(D) For an encumbrance for any other expense, for such period as the director approves, provided such period does not exceed two years.

Any operating appropriations for which unexpended balances are reappropriated beyond a five-month period from the end of the fiscal year by division (B) of this section shall be reported to the Controlling Board by the Director of Budget and Management by the thirty-first day of December of each year. The report on each such item shall include the item, the cost of the item, and the name of the vendor. The report shall be updated on a

quarterly basis for encumbrances remaining open.

Upon the expiration of the reappropriation period set out in divisions (A), (B), (C), or (D) of this section, a reappropriation made by this section lapses, and the Director of Budget and Management shall cancel the encumbrance of the unexpended reappropriation not later than the end of the weekend following the expiration of the reappropriation period.

Notwithstanding the preceding paragraph, with the approval of the Director of Budget and Management, an unexpended balance of an encumbrance that was reappropriated on the first day of July by this section for a period specified in division (C) or (D) of this section and that remains encumbered at the close of the fiscal biennium is hereby reappropriated on the first day of July of the following fiscal biennium from the fund from which it was originally appropriated or reappropriated for the applicable period specified in division (C) or (D) of this section and shall remain available only for the purpose of discharging the encumbrance.

The Director of Budget and Management may correct accounting errors committed by the staff of the Office of Budget and Management, such as re-establishing encumbrances or appropriations cancelled in error, during the cancellation of operating encumbrances in November and of nonoperating encumbrances in December.

If the Controlling Board approved a purchase, that approval remains in effect so long as the appropriation used to make that purchase remains encumbered.

SECTION 503.18. APPROPRIATIONS RELATED TO CASH TRANSFERS AND RE-ESTABLISHMENT OF ENCUMBRANCES

Any cash transferred by the Director of Budget and Management under section 126.15 of the Revised Code is hereby appropriated. Any amounts necessary to re-establish appropriations or encumbrances under section 126.15 of the Revised Code are hereby appropriated.

SECTION 503.21. INCOME TAX DISTRIBUTION TO COUNTIES

There are hereby appropriated out of any moneys in the state treasury to the credit of the General Revenue Fund, which are not otherwise appropriated, funds sufficient to make any payment required by division (B)(2) of section 5747.03 of the Revised Code.

SECTION 503.24. EXPENDITURES AND APPROPRIATION

INCREASES APPROVED BY THE CONTROLLING BOARD

Any money that the Controlling Board approves for expenditure or any increase in appropriation authority that the Controlling Board approves under sections 127.14, 131.35, and 131.39 of the Revised Code or any other provision of law is hereby appropriated for the period ending June 30, 2009.

SECTION 503.27. FUNDS RECEIVED FOR USE OF GOVERNOR'S RESIDENCE

If the Governor's Residence Fund (Fund 4H2) receives payment for use of the residence pursuant to section 107.40 of the Revised Code, the amounts so received are hereby appropriated to appropriation item 100-604, Governor's Residence Gift.

SECTION 503.31. PAYROLL WITHHOLDING FUNDS FOR WORKERS' COMPENSATION ASSESSMENTS

Notwithstanding any provision of law to the contrary, not later than September 30 of each fiscal year, the Director of Budget and Management may transfer up to \$6,336,457 per fiscal year from the General Revenue Fund to the Payroll Withholding Fund (Fund 124). The amount transferred is hereby appropriated in appropriation item 995-673, Payroll Deductions. The Director of Administrative Services may use the amount transferred to pay increased costs to state agencies attributable to managed care assessments, premiums, and other fees charged by the Bureau of Workers' Compensation that would otherwise have been charged to the General Revenue Fund.

SECTION 506.03. UTILITY RADIOLOGICAL SAFETY BOARD ASSESSMENTS

Unless the agency and nuclear electric utility mutually agree to a higher amount by contract, the maximum amounts that may be assessed against nuclear electric utilities under division (B)(2) of section 4937.05 of the Revised Code are as follows:

	FY 2008	FY 2009
Department of Agriculture		
Fund 4E4 Utility Radiological Safety	\$73,059	\$73,059
Department of Health		
Fund 610 Radiation Emergency	\$850,000	\$850,000

Response		
Environmental Protection Agency		
Fund 644 ER Radiological Safety	\$286,114	\$286,114
Emergency Management Agency		
Fund 657 Utility Radiological Safety	\$1,260,000	\$1,260,000

SECTION 512.01. TRANSFERS OF FISCAL YEAR 2007 GENERAL REVENUE FUND ENDING BALANCES

Notwithstanding divisions (B)(1)(b), (B)(2), and (C) of section 131.44 of the Revised Code, up to \$100,000,000 in cash from fiscal year 2007 surplus revenue in excess of the amount required under division (A)(3) of section 131.44 of the Revised Code shall remain in the General Revenue Fund (GRF).

SECTION 512.03. TRANSFERS TO THE GENERAL REVENUE FUND FROM NON-GRF FUNDS

Notwithstanding any other provision of law to the contrary, during fiscal years 2008 and 2009, the Director of Budget and Management is hereby authorized to transfer cash from non-General Revenue Fund funds that are not constitutionally restricted to the General Revenue Fund. The total amount of cash transfers made pursuant to this section to the General Revenue Fund during fiscal years 2008 and 2009 shall not exceed \$70,000,000.

SECTION 512.06. TRANSFERS TO THE GENERAL REVENUE FUND OF INTEREST EARNED

Notwithstanding any provision of Ohio law to the contrary, the Director of Budget and Management, through June 30, 2009, may transfer interest earned by any fund in the Central Accounting System to the General Revenue Fund. Subsequent to the making of such transfers, the Director of Budget and Management shall provide a report to the Controlling Board at its next regularly scheduled meeting detailing the funds from which the interest earned was transferred to the General Revenue Fund and the amount of interest earnings transferred from each of those funds. This section does not apply to funds whose source of revenue is restricted or protected by the Constitution of this state, federal tax law, or the "Cash Management Improvement Act of 1990" 104 Stat. 1058 (1990), 31 U.S.C. 6501 et seq., as amended.

SECTION 512.07. CASH TRANSFERS FROM REPARATIONS FUND (Fund 402) TO DISASTER PREPAREDNESS FUND (Fund 5EX)

Notwithstanding any other provision of law to the contrary, on the first day of July in each of years 2007 and 2008, or as soon as practicable thereafter in each of those years, the Director of Budget and Management shall transfer \$350,000 in cash from the Reparations Fund (Fund 402) to the Disaster Preparedness Fund (Fund 5EX).

SECTION 512.09. CORPORATE AND UCC FILING FUND TRANSFER TO GRF

Not later than the first day of June in each year of the biennium, the Director of Budget and Management shall transfer \$500,000 from the Corporate and Uniform Commercial Code Filing Fund to the General Revenue Fund.

SECTION 512.21. GRF TRANSFER TO FUND 5N4, OAKS PROJECT IMPLEMENTATION

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer an amount not to exceed \$2,200,725 in cash from the General Revenue Fund to Fund 5N4, OAKS Project Implementation. On July 1, 2008, or as soon thereafter as possible, the Director of Budget and Management shall transfer an amount not to exceed \$2,092,779 in cash from the General Revenue Fund to Fund 5N4, OAKS Project Implementation.

SECTION 512.31. TEMPORARY TRANSFER TO THE OAKS SUPPORT ORGANIZATION FUND

Notwithstanding any provision of law to the contrary, in fiscal year 2008, the Director of Budget and Management may transfer an amount not to exceed \$1,000,000 in cash from the Human Resources Services Fund (Fund 125) to the OAKS Support Organization Fund (Fund 5EB). These amounts shall support the establishment of the OAKS Support Organization. Amounts transferred to the OAKS Support Organization Fund and interest earnings on these amounts transferred during fiscal year 2008 shall be returned to the Human Resources Services Fund not later than January 1, 2008. Upon certification of the total amount transferred from Fund 125 to Fund 5EB, the Director of Budget and Management shall transfer cash in the

amount certified from Fund 5EB to Fund 125.

SECTION 512.32. GRF TRANSFER TO FUND 470, FEE SUPPORTED PROGRAMS

On July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$50,000 in cash from the General Revenue Fund to Fund 470, Fee Supported Programs, in the Department of Health.

SECTION 512.34. TRANSFER FROM EDUCATION FACILITIES ENDOWMENT FUND

Notwithstanding division (G) of section 183.27 of the Revised Code, the Director of Budget and Management shall transfer \$40,000,000 cash in fiscal year 2008 from the Education Facilities Endowment Fund (Fund P87) to the General Revenue Fund.

SECTION 512.35. DIESEL EMISSIONS REDUCTION AND TRANSIT CAPITAL GRANT PROGRAMS

On the first day of July of each fiscal year or as soon as possible thereafter, the Director of Budget and Management shall (1) transfer \$9,817,105 in cash in fiscal year 2008 and \$10,057,814 in cash in fiscal year 2009 from the Highway Operating Fund (Fund 002) to the Diesel Emissions Grant Fund established in section 122.861 of the Revised Code and (2) transfer \$5,000,000 in each fiscal year from the Highway Operating Fund to the Transit Capital Fund (Fund 5E7). The amounts transferred are hereby appropriated.

The transfer to the Diesel Emissions Grant Fund shall be used for the administration and oversight of the Diesel Emissions Reduction Grant Program within the Department of Development. In addition to the allowable expenditures set forth in section 122.861 of the Revised Code, Diesel Emissions Reduction Grant Program funds also may be used to fund projects involving the purchase or use of hybrid and alternative fuel vehicles that are allowed under guidance developed by the Federal Highway Administration for the Congestion Mitigation and Air Quality (CMAQ) Program. The Director of Development, in consultation with the Director of Environmental Protection, shall develop guidance for distribution of the funds from the Diesel Emissions Grant Fund. The guidance shall include a method for prioritization of projects, acceptable technologies, and

procedures for awarding grants and loans.

The transfer to the Transit Capital Fund (Fund 5E7) shall be used to supplement the capital portion of the Ohio Public Transportation Grant Program within the Department of Transportation.

These cash transfers represent CMAQ program moneys within the Department of Transportation for use by the Diesel Emissions Reduction Grant Program by the Department of Development and for use by the Ohio Public Transportation Grant Program by the Ohio Department of Transportation. These allocations shall not reduce the amount of such moneys designated for metropolitan planning organizations.

SECTION 512.37. TRANSFER TO ENERGY STRATEGY DEVELOPMENT FUND

On July 1, 2007, and on July 1, 2008, or as soon thereafter as possible, the Director of Budget and Management may transfer cash from the funds specified below, in the amount specified below, to the Energy Strategy Development Fund, which is hereby created in the state treasury. The fund may accept contributions and transfers made to the fund. The funds shall be used to develop energy initiatives, projects, and policy.

<u>Agency</u>	<u>Fund</u>	<u>FY 2008</u>	<u>FY 2009</u>
Department of Administrative Services	117	\$35,000	\$35,000
Department of Agriculture	3J4	\$35,000	\$35,000
Department of Development	4H4	\$32,447	\$0
Department of Development	135	\$0	\$35,000
Environmental Protection Agency	219	\$35,000	\$35,000
Department of Natural Resources	157	\$35,000	\$35,000
Department of Transportation	002	\$50,000	\$50,000

SECTION 512.38. CASH TRANSFER FROM AUTOMATED TITLE PROCESSING FUND TO TITLE DEFECT RESCISSION FUND

Notwithstanding any other provision of law to the contrary, on July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management shall transfer \$1,000,000 in cash from the Automated Title Processing Fund (Fund 849) to the Title Defect Rescission Fund (Fund 4Y7).

SECTION 512.41. For purposes of sections 109.93, 111.18, and 173.85 of

the Revised Code, as amended by this act, the Director of Budget and Management, in collaboration with the Treasurer of State, may take any action necessary to establish funds in the state treasury that were previously held in the custody of the Treasurer of State, including, but not limited to, the transfer of cash from the custodial funds to the state treasury and the establishment of appropriations and encumbrances to support outstanding obligations. The amounts necessary to support outstanding obligations are hereby appropriated. Agencies may request additional appropriation authority, but it shall be subject to approval by the Controlling Board.

SECTION 512.50. GRF TRANSFER TO THE PUBLIC AUDIT EXPENSE INTRA-STATE FUND

On July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$400,000 cash from the General Revenue Fund to the Public Audit Expense Intra-State Fund (Fund 109). The amounts transferred are hereby appropriated to help pay 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 for performance audits for school districts in fiscal distress.

SECTION 515.06. TRANSFER OF PRINTING SERVICES FROM THE OFFICE OF INFORMATION TECHNOLOGY

Effective July 1, 2007, or the earliest date thereafter agreed to by the Director of Budget and Management and the Director of Administrative Services, the Office of Information Technology printing office currently located on Integrity Drive in Columbus shall become part of the Department of Administrative Services. The functions, assets, and liabilities, including, but not limited to, records, regardless of form or medium, leases, and contracts, of the printing office are transferred to the Department of Administrative Services. The Department of Administrative Services is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the printing office. The functions of the printing office are thereupon and thereafter transferred to the Department of Administrative Services.

Any business commenced but not completed by the printing office by the date of the transfer shall be completed by the Department of Administrative Services, in the same manner, and with the same effect, as if completed by the printing office. 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 Administrative Services. All the printing office's rules, orders, and determinations continue in effect as rules, orders, and determinations of the Department of Administrative Services, until modified or rescinded by the Department of Administrative Services. If necessary to ensure the integrity of the Administrative Code rule numbering system, the Director of the Legislative Service Commission shall renumber the printing office's rules to reflect their transfer to the Department of Administrative Services.

Employees of the Office of Information Technology designated as staff in the printing office shall be transferred to the Department of Administrative Services. Subject to the layoff provisions of sections 124.321 to 124.328 of the Revised Code, the layoff provisions of the contract between the state and all bargaining units affected, the employees transferred to the Department of Administrative Services retain their positions and all benefits accruing thereto.

No judicial or administrative action or proceeding to which the printing office is a party that is pending on July 1, 2007, or such later date as may be established by the Director of the Office of Information Technology and the Director of Administrative Services, is affected by the transfer of functions. The action or proceeding shall be prosecuted or defended in the name of the Director of Administrative Services. On application to the court or agency, the Director of Administrative Services shall be substituted for the Director of the Office of Information Technology as a party to the action or proceeding.

On and after July 1, 2007, notwithstanding any provision of law to the contrary, the Director of Budget and Management shall take the actions with respect to budget changes made necessary by the transfer, including administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds as authorized by this section. The Director of Budget and Management may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in fiscal year 2008 in the appropriate fund and appropriation item for the same purpose and for payment to the same vendor. The Director of Budget and Management as determined necessary, may re-establish encumbrances in fiscal year 2008 in a different fund or appropriation item in an agency or between agencies. The re-established encumbrances are hereby appropriated. The Director of Budget and Management shall reduce each year's appropriation balances by the amount of the encumbrance canceled in their respective funds and appropriation items.

Not later than sixty days after the transfer of the printing office to the

Department of Administrative Services, the Director of the Office of Information Technology shall certify to the Director of Budget and Management the amount of cash associated with printing services supported by Fund 133, IT Services Delivery Fund. Upon receipt of the certification, the Director of Budget and Management shall transfer cash from Fund 133, IT Services Delivery Fund, to Fund 210, State Printing Fund. This amount is hereby appropriated.

SECTION 515.09. TRANSFER OF MAIL AND FULFILLMENT SERVICES FROM THE DEPARTMENT OF JOB AND FAMILY SERVICES

Effective July 1, 2007, or the earliest date thereafter agreed to by the Director of Job and Family Services and the Director of Administrative Services, the Department of Job and Family Services mail and fulfillment office, currently located on Integrity Drive in Columbus shall become part of the Department of Administrative Services. The functions, assets, and liabilities, including, but not limited to, records, regardless of form or medium, leases, and contracts, of the mail and fulfillment office is transferred to the Department of Administrative Services. The Department of Administrative Services is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the mail and fulfillment office. The functions of the mail and fulfillment office are thereupon and thereafter transferred to the Department of Administrative Services.

Any business commenced but not completed by the mail and fulfillment office by the date of transfer shall be completed by the Department of Administrative Services, in the same manner, and with the same effect, as if completed by the mail and fulfillment office. 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 Administrative Services. All of the mail and fulfillment office's rules, orders, and determinations continue in effect as rules, orders, and determinations of the Department of Administrative Services, until modified or rescinded by the Department of Administrative Services. If necessary to ensure the integrity of the Administrative Code rule numbering system, the Director of the Legislative Service Commission shall renumber the mail and fulfillment office's rules to reflect their transfer to the Department of Administrative Services.

Employees of the Department of Job and Family Services designated as staff in the mail and fulfillment office shall be transferred to the Department

of Administrative Services. Subject to the layoff provisions of sections 124.321 to 124.328 of the Revised Code, and to provisions of the contract between the state and all bargaining units affected, the employees transferred to the Department of Administrative Services retain their positions and all benefits accruing thereto.

No judicial or administrative action or proceeding to which the mail and fulfillment office is a party that is pending on July 1, 2007, or such later date as may be established by the Director of Job and Family Services and the Director of Administrative Services, is affected by the transfer of functions. The action or proceeding shall be prosecuted or defended in the name of the Director of Administrative Services. On application to the court or agency, the Director of Administrative Services shall be substituted for the Director of Job and Family Services as a party to the action or proceeding.

On and after July 1, 2007, notwithstanding any provision of law to the contrary, the Director of Budget and Management shall take the actions with respect to budget changes made necessary by the transfer, including administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds as authorized by this section. The Director of Budget and Management may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in fiscal year 2008 in the appropriate fund and appropriation item for the same purpose and for payment to the same vendor. The Director of Budget and Management, as determined necessary, may re-establish encumbrances in fiscal year 2008 in a different fund or appropriation item in an agency or between agencies. The re-established encumbrances are hereby appropriated. The Director of Budget and Management shall reduce each year's appropriation balances by the amount of the encumbrance canceled in their respective funds and appropriation items.

The Director of Job and Family Services and the Director of Administrative Services shall enter into an interagency agreement establishing terms and timetables for the implementation of this section. The interagency agreement shall include provisions for credits to the Department of Job and Family Services for prepaid postage, agreements for the credit, transfer, or reimbursement of funds to the Department of Job and Family Services to comply with terms and conditions applicable to federal funds expended by the department for the purchase, maintenance, and operation of equipment, agreements for ongoing operations in compliance with federal requirements applicable to Department of Job and Family Services programs that utilize the mail and fulfillment services, transfer of or sharing of lease agreements, and any other agreements that the Director of Job and Family

Services and the Director of Administrative Services determine to be necessary for the successful implementation of this section.

Not later than sixty days after the transfer of the mail and fulfillment office to the Department of Administrative Services, the Director of Job and Family Services shall certify to the Director of Budget and Management the amount of any unexpended balance of appropriations made to the department to support the office. Upon receipt of the certification, the Director of Budget and Management shall transfer the appropriations and cash to Fund 210, State Printing Fund.

SECTION 518.01. TRANSFERS FROM THE TOBACCO MASTER SETTLEMENT AGREEMENT FUND TO THE GENERAL REVENUE FUND

Notwithstanding any law to the contrary, on July 1, 2007, or as soon as possible thereafter, and before any other transfers from the Tobacco Master Settlement Agreement Fund (Fund 087) are made, the Director of Budget and Management shall transfer \$9,984,248 to the General Revenue Fund from the Tobacco Master Settlement Agreement Fund (Fund 087).

SECTION 518.02. EXCESS TOBACCO SECURITIZATION PROCEEDS

Any proceeds from securitization of the Tobacco Master Settlement Agreement, after all expenses of the securitization have been accounted for, in excess of \$5,000,000,000 shall be deposited in the School Building Program Assistance Fund (Fund 032) established in section 3318.25 of the Revised Code.

SECTION 518.03. BUDGET ADJUSTMENTS TO REFLECT TOBACCO SECURITIZATION

(A) Notwithstanding any other provision of law to the contrary, the Director of Budget and Management, periodically on any date following the issuance of the tobacco obligations authorized in section 183.51 of the Revised Code and through June 30, 2009, shall:

(1) Determine the amount of appropriation items 235-909, Higher Education General Obligation Debt Service, and 230-908, Common Schools General Obligation Debt Service, that are in excess of the amounts needed to pay all debt service and financing costs on those obligations payable from each of those items and transfer all or any portion of that excess

appropriation to appropriation item 200-901, Property Tax Allocation-Education, or 110-901, Property Tax Allocation-Taxation, or both together as needed for the purposes of making the state's property tax relief payments to school districts and counties.

(2) Determine the amount by which interest earnings credited to Fund 034, Higher Education Improvement Fund, and Fund 032, School Building Program Assistance Fund, from the investment of the net proceeds of those tobacco obligations exceed the amount needed to satisfy appropriations from those funds, transfer all or part of that excess cash balance to the General Revenue Fund, and increase appropriation item 200-901, Property Tax Allocation-Education, or 110-901, Property Tax Allocation-Taxation, or both together, by up to the amount of cash so transferred to the General Revenue Fund.

(3) Determine the amount of capital appropriations in CAP-770, School Building Assistance Program, and transfers of cash to Fund 5E3, School Facilities Commission, that are necessary to fully expend the amount of net proceeds deposited into Fund 032, School Building Program Assistance Fund, from the issuance of those tobacco obligations, and increase the appropriations for CAP-770 and appropriation item 230-644, Operating Expenses-School Facilities Commission, by the necessary amounts.

(4) Determine the amount of additional capital appropriations, if any necessary to fully expend the amount of net proceeds deposited from the issuance of those tobacco obligations into Fund 034, Higher Education Improvement Fund.

(5) Reduce by up to \$800,000,000 the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for a system of common schools throughout the state granted to the Ohio Public Facilities Commission by prior acts of the General Assembly. This reduction reflects the utilization of the net proceeds of those tobacco obligations in place of general obligation bond proceeds to support capital appropriations payable from Fund 032, School Building Assistance Fund.

(6) Reduce by up to \$950,000,000 the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for state-supported and state-assisted institutions of higher education granted to the Ohio Public Facilities Commission by prior acts of the General Assembly. This reduction reflects the utilization of the net proceeds of those tobacco obligations in place of general obligation bond proceeds to support capital appropriations payable from Fund 034, Higher Education Improvement Fund.

(B) Before the Office of Budget and Management transfers or increases

or decreases any appropriations or authorizations described in division (A) of this section, the Office of Budget and Management shall seek Controlling Board approval.

SECTION 518.06. GENERAL OBLIGATION DEBT SERVICE PAYMENTS

Certain appropriations are in this act for the purpose of paying debt service and financing costs on general obligation bonds or notes of the state issued pursuant to the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 518.09. LEASE PAYMENTS TO OPFC, OBA, AND TREASURER OF STATE

Certain appropriations are in this act for the purpose of making lease rental payments pursuant to leases and agreements relating to bonds or notes issued by the Ohio Building Authority or the Treasurer of State or, previously, by the Ohio Public Facilities Commission, pursuant to the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 518.12. AUTHORIZATION FOR TREASURER OF STATE AND OBM TO EFFECTUATE CERTAIN DEBT SERVICE PAYMENTS

The Office of Budget and Management shall initiate and process disbursements from general obligation and lease rental payment appropriation items during the period from July 1, 2007, to June 30, 2009, relating to bonds or notes issued under Sections 2i, 2k, 2l, 2m, 2n, 2o, 2p and 15 of Article VIII, Ohio Constitution, and Chapters 151. and 154. of the Revised Code. Disbursements shall be made upon certification by the Treasurer of State, Office of the Sinking Fund, of the dates and the amounts due on those dates.

SECTION 521.03. STATE AND LOCAL REBATE AUTHORIZATION

There is hereby appropriated, from those funds designated by or pursuant to the applicable proceedings authorizing the issuance of state obligations, amounts computed at the time to represent the portion of investment income to be rebated or amounts in lieu of or in addition to any

rebate amount to be paid to the federal government in order to maintain the exclusion from gross income for federal income tax purposes of interest on those state obligations under section 148(f) of the Internal Revenue Code.

Rebate payments shall be approved and vouchered by the Office of Budget and Management.

SECTION 521.06. STATEWIDE INDIRECT COST RECOVERY

Whenever the Director of Budget and Management determines that an appropriation made to a state agency from a fund of the state is insufficient to provide for the recovery of statewide indirect costs under section 126.12 of the Revised Code, the amount required for such purpose is hereby appropriated from the available receipts of such fund.

SECTION 521.07. GRF TRANSFERS ON BEHALF OF THE STATEWIDE INDIRECT COST ALLOCATION PLAN

The total transfers made from the General Revenue Fund by the Director of Budget and Management under this section shall not exceed the amounts transferred into the General Revenue Fund under division (B) of section 126.12 of the Revised Code.

The director of an agency may certify to the Director of Budget and Management the amount of expenses not allowed to be included in the Statewide Indirect Cost Allocation Plan under federal regulations, from any fund included in the Statewide Indirect Cost Allocation Plan, prepared as required by section 126.12 of the Revised Code.

Upon determining that no alternative source of funding is available to pay for such expenses, the Director of Budget and Management may transfer from the General Revenue Fund into the fund for which the certification is made, up to the amount of the certification. The director of the agency receiving such funds shall include, as part of the next budget submission prepared under section 126.02 of the Revised Code, a request for funding for such activities from an alternative source such that further federal disallowances would not be required.

SECTION 521.09. FEDERAL GOVERNMENT INTEREST REQUIREMENTS

Notwithstanding any provision of law to the contrary, on or before the first day of September of each fiscal year, the Director of Budget and Management, in order to reduce the payment of adjustments to the federal

government, as determined by the plan prepared under division (A) of section 126.12 of the Revised Code, may designate such funds as the director considers necessary to retain their own interest earnings.

SECTION 521.12. FEDERAL CASH MANAGEMENT IMPROVEMENT ACT

Pursuant to the plan for compliance with the Federal Cash Management Improvement Act required by section 131.36 of the Revised Code, the Director of Budget and Management may cancel and re-establish all or part of encumbrances in like amounts within the funds identified by the plan. The amounts necessary to re-establish all or part of encumbrances are hereby appropriated.

SECTION 603.01. That Section 4 of Sub. H.B. 2 of the 127th General Assembly be amended to read as follows:

Sec. 4. Not later than ~~September 28, 2007~~ March 31, 2008, the Chancellor of the Ohio Board of Regents shall report to the General Assembly, in accordance with division (B) of section 101.68 of the Revised Code, and to the Governor, recommendations to accomplish the following:

- (A) Make college more affordable and accessible for all Ohioans;
- (B) Encourage Ohio graduates to remain in Ohio after earning their degrees;
- (C) Maximize higher education as a driver of the state's economy.

The report also shall include a plan as to how to appropriately utilize the Board of Regents to enhance higher education in Ohio.

SECTION 603.02. That existing Section 4 of Sub. H.B. 2 of the 127th General Assembly is hereby repealed.

SECTION 603.03. That Section 203.10 of Am. Sub. H.B. 67 of the 127th General Assembly be amended to read as follows:

Sec. 203.10. DOT DEPARTMENT OF TRANSPORTATION

FUND	TITLE	FY 2008	FY 2009
Transportation Planning and Research			
Highway Operating Fund Group			
002 771-411	Planning and Research - State	\$ 20,724,547	\$ 21,733,301
002 771-412	Planning and Research - Federal	\$ 29,996,363	\$ 30,264,923
TOTAL HOF Highway Operating			

Am. Sub. H. B. No. 119

1819

Fund Group	\$	50,720,910	\$	51,998,224
TOTAL ALL BUDGET FUND GROUPS -				
Transportation Planning and Research	\$	50,720,910	\$	51,998,224

Highway Construction

Highway Operating Fund Group

002 772-421	Highway Construction - State	\$	528,722,188	\$	504,184,419
002 772-422	Highway Construction - Federal	\$	1,103,979,148	\$	1,086,733,759
002 772-424	Highway Construction - Other	\$	106,439,000	\$	100,379,155
002 772-437	GARVEE Debt Service - State	\$	10,321,300	\$	19,273,500
002 772-438	GARVEE Debt Service - Federal	\$	113,915,900	\$	139,015,000
212 772-426	Highway Infrastructure Bank - Federal	\$	4,303,173	\$	4,018,649
212 772-427	Highway Infrastructure Bank - State	\$	8,268,315	\$	10,209,272
212 772-429	Highway Infrastructure Bank - Local	\$	11,000,000	\$	11,499,999
212 772-430	Infrastructure Debt Reserve Title 23-49	\$	1,500,000	\$	1,500,000
213 772-431	Roadway Infrastructure Bank - State	\$	1,000,000	\$	1,000,000
213 772-432	Roadway Infrastructure Bank - Local	\$	6,000,000	\$	6,000,000
213 772-433	Infrastructure Debt Reserve - State	\$	2,000,000	\$	2,000,000

TOTAL HOF Highway Operating Fund Group	\$	1,897,449,024	\$	1,885,813,753
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Highway Capital Improvement Fund Group

042 772-723	Highway Construction - Bonds	\$	200,000,000	\$	100,000,000
TOTAL 042 Highway Capital Improvement Fund Group	\$	200,000,000	\$	100,000,000	

Infrastructure Bank Obligations Fund Group

045 772-428	Highway Infrastructure Bank - Bonds	\$	450,000,000	\$	400,000,000
TOTAL 045 Infrastructure Bank Obligations Fund Group	\$	450,000,000	\$	400,000,000	

TOTAL ALL BUDGET FUND GROUPS - Highway Construction	\$	2,547,449,024	\$	2,385,813,753
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Highway Maintenance

Highway Operating Fund Group

002 773-431	Highway Maintenance - State	\$	403,252,901	\$	417,915,187
TOTAL HOF Highway Operating Fund Group	\$	403,252,901	\$	417,915,187	
TOTAL ALL BUDGET FUND GROUPS - Highway Maintenance	\$	403,252,901	\$	417,915,187	

Public Transportation

Highway Operating Fund Group

002 775-452	Public Transportation -	\$	25,471,589	\$	30,391,763
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Am. Sub. H. B. No. 119

1820

		Federal			
002	775-454	Public Transportation - Other	\$	1,500,000	\$ 1,500,000
002	775-459	Elderly and Disabled Special Equipment	\$	4,730,000	\$ 4,730,000
212	775-408	Transit Infrastructure Bank - Local	\$	2,500,000	\$ 812,685
212	775-455	Title 49 Infrastructure Bank - State	\$	476,485	\$ 312,795
213	775-457	Transit Infrastructure Bank - State	\$	500,000	\$ 312,082
213	775-460	Transit Infrastructure Bank - Local	\$	1,000,000	\$ 1,000,000
TOTAL HOF Highway Operating Fund Group			\$	36,178,074	\$ 39,059,325
TOTAL ALL BUDGET FUND GROUPS - Public Transportation			\$	36,178,074	\$ 39,059,325

Rail Transportation

Federal Special Revenue Group					
3B9	776-662	Rail Transportation - Federal	\$	10,000	\$ 10,000
TOTAL FED Federal Special Revenue Fund Group			\$	10,000	\$ 10,000
Highway Operating Fund Group					
002	776-462	Grade Crossings - Federal	\$	15,000,000	\$ 15,000,000
TOTAL HOF Highway Operating Fund Group			\$	15,000,000	\$ 15,000,000
State Special Revenue Fund Group					
4N4	776-663	Panhandle Lease Reserve Payments	\$	762,500	\$ 763,700
4N4	776-664	Rail Transportation - Other	\$	2,111,500	\$ 2,111,500
TOTAL SSR State Special Revenue Fund Group			\$	2,874,000	\$ 2,875,200
TOTAL ALL BUDGET FUND GROUPS - Rail Transportation			\$	17,884,000	\$ 17,885,200

Aviation

State Special Revenue Fund Group					
5W9	777-615	County Airport Maintenance	\$	570,000	\$ 570,000
TOTAL SSR State Special Revenue Fund Group			\$	570,000	\$ 570,000
Highway Operating Fund Group					
002	777-472	Airport Improvements - Federal	\$	405,000	\$ 405,000
002	777-475	Aviation Administration	\$	5,210,000	\$ 5,358,100
213	777-477	Aviation Infrastructure Bank - State	\$	2,000,000	\$ 3,500,000
213	777-478	Aviation Infrastructure Bank - Local	\$	5,996,118	\$ 6,000,000
TOTAL HOF Highway Operating Fund Group			\$	13,611,118	\$ 15,263,100
TOTAL ALL BUDGET FUND GROUPS - Aviation			\$	14,181,118	\$ 15,833,100

Administration

Highway Operating Fund Group

002 779-491 Administration - State	\$	120,262,864	\$	122,601,493
TOTAL HOF Highway Operating Fund Group	\$	120,262,864	\$	122,601,493
TOTAL ALL BUDGET FUND GROUPS - Administration	\$	120,262,864	\$	122,601,493

Debt Service

Highway Operating Fund Group

002 770-003 Administration - State - Debt Service	\$	10,555,300	\$	3,614,700
TOTAL HOF Highway Operating Fund Group	\$	10,555,300	\$	3,614,700
TOTAL ALL BUDGET FUND GROUPS - Debt Service	\$	10,555,300	\$	3,614,700

TOTAL Department of Transportation

TOTAL FED Federal Special Revenue Fund Group	\$	10,000	\$	10,000
TOTAL HOF Highway Operating Fund Group	\$	2,547,030,191	\$	2,551,265,782
TOTAL 042 Highway Capital Improvement Fund Group	\$	200,000,000	\$	100,000,000
TOTAL 045 Infrastructure Bank Obligations Fund Group	\$	450,000,000	\$	400,000,000
TOTAL SSR State Special Revenue Fund Group	\$	3,444,000	\$	3,445,200
TOTAL ALL BUDGET FUND GROUPS	\$	3,200,484,191	\$	3,054,720,982

DEPUTY INSPECTOR GENERAL FOR ODOT FUNDING

Pursuant to section 121.51 of the Revised Code, the Director of Budget and Management, in conjunction with the Inspector General, shall prepare a schedule to transfer the necessary amounts from the Highway Operating Fund to the Deputy Inspector General for ODOT Fund to pay for the activities of the Deputy Inspector General. The amounts transferred are hereby appropriated.

SECTION 603.04. That existing Section 203.10 of Am. Sub. H.B. 67 of the 127th General Assembly is hereby repealed.

* SECTION 603.05. That Sections 203.50, 209.10, 227.10, 555.08, and 557.10 of Am. Sub. H.B. 67 of the 127th General Assembly be amended to read as follows:

Sec. 203.50. PUBLIC ACCESS ROADS FOR STATE FACILITIES

Of the foregoing appropriation item 772-421, Highway Construction - State, \$5,000,000 shall be used in each fiscal year during the fiscal year 2008-2009 biennium by the Department of Transportation for the

construction, reconstruction, or maintenance of public access roads, including support features, to and within state facilities owned or operated by the Department of Natural Resources.

Notwithstanding section 5511.06 of the Revised Code, of the foregoing appropriation item 772-421, Highway Construction - State, \$2,228,000 in each fiscal year of the fiscal year 2008-2009 biennium shall be used by the Department of Transportation for the construction, reconstruction, or maintenance of park drives or park roads within the boundaries of metropolitan parks.

Included in the foregoing appropriation item 772-421, Highway Construction - State, the department may perform related road work on behalf of the Ohio Expositions Commission at the state fairgrounds, including reconstruction or maintenance of public access roads and support features, to and within fairground facilities as requested by the commission and approved by the Director of Transportation.

PUBLIC SCHOOL ENTRANCE IMPROVEMENTS

Of the foregoing appropriation item 779-491, Administration-State, \$4,000,000 in fiscal year 2008, shall be used by the Department of Transportation to make grants available for state highway improvements at public school entrances under the following conditions:

(A) The school is receiving assistance from the Ohio School Facilities Commission for the renovation or construction of new school facilities.

(B) The state highway improvements are to be made at entrances within school zones.

Grant awards shall be limited to \$500,000 per school district, and are contingent on local government officials or the participating school district, or both, matching 25 per cent of the improvement cost.

LIQUIDATION OF UNFORESEEN LIABILITIES

Any appropriation made to the Department of Transportation, Highway Operating Fund, not otherwise restricted by law, is available to liquidate unforeseen liabilities arising from contractual agreements of prior years when the prior year encumbrance is insufficient.

Sec. 209.10. 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	\$	253,967,276	\$	267,539,597
036 764-605	Motor Carrier Enforcement Expenses	\$	3,061,817	\$	3,340,468
83C 764-630	Contraband, Forfeiture, Other	\$	622,894	\$	622,894
83F 764-657	Law Enforcement Automated Data System	\$	7,945,555	\$	8,275,898
83G 764-633	OMVI Enforcement/Education	\$	650,000	\$	650,000

Am. Sub. H. B. No. 119

1823

83J 764-693	Highway Patrol Justice Contraband	\$	2,100,000	\$	2,100,000
83T 764-694	Highway Patrol Treasury Contraband	\$	21,000	\$	21,000
831 764-610	Patrol - Federal	\$	2,455,484	\$	2,455,484
831 764-659	Transportation Enforcement - Federal	\$	5,665,690	\$	6,132,592
831 769-631	Homeland Security - Federal	\$	1,500,000	\$	1,552,500
837 764-602	Turnpike Policing	\$	10,893,146	\$	11,553,959
838 764-606	Patrol Reimbursement	\$	175,000	\$	175,000
840 764-607	State Fair Security	\$	1,396,283	\$	1,396,283
840 764-617	Security and Investigations	\$	6,231,916	\$	6,155,385
840 764-626	State Fairgrounds Police Force	\$	788,375	\$	788,375
840 769-632	Homeland Security - Operating	\$	1,913,276	\$	1,989,807
841 764-603	Salvage and Exchange - Highway Patrol	\$	1,339,399	\$	1,339,399
TOTAL HSF State Highway Safety Fund Group		\$	301,977,111	\$	317,338,641
General Services Fund Group					
4S2 764-660	MARCS Maintenance	\$	335,862	\$	389,149
TOTAL GSF General Services Fund Group		\$	335,862	\$	389,149
TOTAL ALL BUDGET FUND GROUPS - Enforcement		\$	302,312,973	\$	317,727,790

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.

TRAFFIC SAFETY OPERATING FUND

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance in the Traffic Safety Operating Fund (Fund 5AY) to the Highway Safety Fund (Fund 036). The Director of Budget and Management shall cancel any existing encumbrances against appropriation item 764-688, Traffic Safety Operating, and re-establish them against appropriation item 764-321, Operating Expense – Highway Patrol. The amounts of the re-established encumbrances are hereby appropriated. Upon completion of these transfers, the Traffic Safety Operating Fund (Fund 5AY) is hereby abolished.

CASH TRANSFER TO THE STATE HIGHWAY SAFETY FUND

Effective July 1, 2007, the Treasurer of State, prior to making any of the distributions listed in sections 5735.23, 5735.26, 5735.291, and 5735.30 of the Revised Code, shall deposit at least the first \$1,250,000 and up to \$1,600,000 received each month to the credit of the State Highway Safety Fund (Fund 036) pursuant to a schedule determined by the Director of Budget and Management.

Sec. 227.10. DEV DEPARTMENT OF DEVELOPMENT

State Special Revenue Fund Group

4W0 195-629 Roadwork Development	\$	18,699,900	\$	18,699,900
TOTAL SSR State Special Revenue				
Fund Group	\$	18,699,900	\$	18,699,900
TOTAL ALL BUDGET FUND GROUPS	\$	18,699,900	\$	18,699,900

ROADWORK DEVELOPMENT FUND

The Roadwork Development Fund shall be used for road improvements associated with economic development opportunities that will retain or attract businesses for Ohio. "Road improvements" are improvements to public roadway facilities located on, or serving or capable of serving, a project site.

The Department of Transportation, under the direction of the Department of Development, shall provide these funds in accordance with all guidelines and requirements established for Department of Development appropriation item 195-412, Business Development, including Controlling Board review and approval as well as the requirements for usage of gas tax revenue prescribed in Section 5a of Article XII, Ohio Constitution. Should the Department of Development require the assistance of the Department of Transportation to bring a project to completion, the Department of Transportation shall use its authority under Title LV of the Revised Code to provide such assistance and enter into contracts on behalf of the Department of Development. In addition, these funds may be used in conjunction with appropriation item 195-412, Business Development, or any other state funds appropriated for infrastructure improvements.

The Director of Budget and Management, pursuant to a plan submitted by the Department of Development or as otherwise determined by the Director of Budget and Management, shall set a cash transfer schedule to meet the cash needs of the Department of Development's Roadwork Development Fund (Fund 4W0), less any other available cash. The Director shall transfer to the Roadwork Development Fund from the Highway Operating Fund (Fund 002), established in section 5735.291 of the Revised Code, such amounts at such times as determined by the transfer schedule.

Of the foregoing appropriation item 195-629, Roadwork Development,

\$1,000,000 over the fiscal year 2008-2009 biennium shall be used for improvements to the State Route 33 Avery Muirfield Interchange.

TRANSPORTATION IMPROVEMENT DISTRICTS

Notwithstanding section 5540.151 of the Revised Code, of the foregoing appropriation item 195-629, Roadwork Development, \$250,000 in each fiscal year of the biennium shall be granted by the Director of Development to each of the transportation improvement districts of Butler, Clermont, Hamilton, Lorain, Medina, Montgomery, Muskingum, and Stark counties and to the Rossford Transportation Improvement District in Wood County. Any grant made under this paragraph is not subject to the restrictions of appropriation item 195-629, Roadwork Development.

Sec. 555.08. The Department of Transportation shall construct the major new construction projects selected by the Transportation Review Advisory Council on December 20, 2006, as Tier I projects for construction in fiscal years 2007 through 2013 and shall not undertake other major new construction projects until construction of such selected Tier I projects has commenced in accordance with the December 20, 2006, recommendations. However, nothing in this section shall require the Department of Transportation to undertake the major new Tier I construction projects selected by the Transportation Review Advisory Council on December 20, 2006, ahead of projects selected as Tier I projects prior to that date; the Department may continue with such previously selected Tier I projects in accordance with the prior recommendations. The Transportation Review Advisory Council may recommend additional major new projects in accordance with the policies promulgated by the Council, but new Tier I projects shall not be given priority over Tier I projects recommended on December 20, 2006.

Sec. 557.10. ~~(A)~~ Notwithstanding Chapter 5735. of the Revised Code, the following shall apply for the period of July 1, 2007, through June 30, 2009:

~~(A)~~(1) For the discount under section 5735.06 of the Revised Code, if the monthly report is timely filed and the tax is timely paid, 1.0 ~~per cent~~ % of the total number of gallons of motor fuel received by the motor fuel dealer within the state during the preceding calendar month, less the total number of gallons deducted under divisions (B)(1)(a) and (b) of section 5735.06 of the Revised Code, less 0.50 ~~per cent~~ % of the total number of gallons of motor fuel that were sold to a retail dealer during the preceding calendar month.

(2) For the semiannual periods ending December 31, 2007, June 30, 2008, December 31, 2008, and June 30, 2009, the refund provided to retail

dealers under section 5735.141 of the Revised Code shall be 0.50 ~~per cent~~ % of the Ohio motor fuel taxes paid on fuel purchased during those semiannual periods.

(B) ~~Each retail~~ If the monthly report is timely filed and the tax is timely paid, each motor fuel dealer is allowed a ~~vendor tax collection and administration~~ discount equal to 0.90% of the motor fuel ~~taxes paid on motor fuel purchased~~ received by the ~~retail~~ motor fuel dealer ~~during each of the semiannual periods occurring during the biennium beginning July 1, 2007, and ending June 30, 2009. The vendor discount shall be refunded to the retail dealer upon application by the dealer to the Tax Commissioner within 120 days after the end of each such semiannual period in the manner prescribed by the Tax Commissioner on which the dealer remits the motor fuel tax. The discount shall be taken by the motor fuel dealer on the dealer's monthly motor fuel tax report. The vendor discount is in addition to any other discount or refund allowed the motor fuel dealer under division (A) of this section. The vendor discount shall be paid in the same manner and from the same fund as prescribed in section 5735.141 of the Revised Code. As used in this section, "motor fuel" and "retail "motor fuel dealer" have the same meanings as in section 5735.01 of the Revised Code.~~

* SECTION 603.06. That existing Sections 203.50, 209.10, 227.10, 555.08, and 557.10 of Am. Sub. H.B. 67 of the 127th General Assembly are hereby repealed.

SECTION 605.05. That Section 252.70 of Am. Sub. H.B. 530 of the 126th General Assembly be amended to read as follows:

Sec. 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.

The remainder of appropriation item CAP-628, Wood County Center for Agriculture, shall be used for an alternative energy generation project at the East Gypsy Lane Complex in Wood County or an agricultural energy facility recommended by the Wood County commissioners.

SECTION 605.06. That existing Section 252.70 of Am. Sub. H.B. 530 of the 126th General Assembly is hereby repealed.

SECTION 605.17. That Sections 227.10, 235.10.50, and 235.50.80 of Am. Sub. H.B. 699 of the 126th General Assembly be amended to read as follows:

Sec. 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 Cultural and Sports Facilities Building Fund (Fund 030), that are not otherwise appropriated.

		Appropriations	
AFC CULTURAL FACILITIES COMMISSION			
CAP-734	Hayes Center Renov & Repairs	\$	300,000
CAP-745	Renovations and Repairs	\$	850,000
CAP-763	Historic Site Signage	\$	250,000
CAP-770	Serpent Mound Improvements	\$	340,000
CAP-781	Information Technology Project	\$	364,000
CAP-784	Center Rehabilitation	\$	1,035,000
CAP-803	Digitization of Collections	\$	300,000
CAP-809	Exhibit Replace/Orientation	\$	415,000
CAP-910	Collections Facility Planning	\$	1,240,000
CAP-911	W.P. Snyder Restoration	\$	876,000
CAP-912	Lockington Locks Restoration	\$	172,000
CAP-913	Huntington Park	\$	7,000,000
CAP-914	Schuster Center for the Performing Arts	\$	5,500,000
CAP-916	Cincinnati Symphony Orchestra - Riverbend	\$	3,000,000
CAP-917	Marina District Amphitheatre	\$	2,900,000
CAP-918	Cincinnati Museum Center	\$	2,000,000
CAP-919	National Underground Railroad Freedom Center	\$	2,000,000
CAP-920	Cincinnati Sports Facility Improvements	\$	2,000,000
CAP-921	Pro Football Hall of Fame	\$	1,650,000

Am. Sub. H. B. No. 119

1831

CAP-922	Heritage Center of Dayton Manufacturing & Entrepreneurship	\$	1,300,000
CAP-923	Western Reserve Historical Society	\$	1,000,000
CAP-925	COSI Columbus	\$	1,000,000
CAP-926	Columbus Museum of Art	\$	1,000,000
CAP-927	Mason ATP Tennis Center	\$	1,300,000
CAP-928	Stan Hywet Hall and Gardens	\$	1,175,000
CAP-929	Akron Art Museum	\$	1,000,000
CAP-930	Sauder Village	\$	830,000
CAP-931	Horvitz Center for the Arts	\$	750,000
CAP-932	Ensemble Theatre	\$	750,000
CAP-933	Voice of America Museum	\$	750,000
CAP-934	Cleveland Steamship Mather	\$	600,000
CAP-935	Cuyahoga County Soldiers' and Sailors Monument	\$	500,000
CAP-936	King-Lincoln Arts & Entertainment District	\$	500,000
CAP-937	Art Academy of Cincinnati	\$	500,000
CAP-938	Great Lakes Historical Society	\$	500,000
CAP-939	McKinley Museum	\$	425,000
CAP-940	Charles A. Eulett Education Center and Appalachian Museum	\$	300,000
CAP-942	Davis Shai Historical Facility	\$	300,000
CAP-943	Massillon Museum	\$	275,000
CAP-944	The Mandel Center	\$	250,000
CAP-945	Worthington Arts Center	\$	250,000
CAP-946	CCAD	\$	250,000
CAP-947	BalletMet	\$	250,000
CAP-948	Stambaugh Hall Improvements	\$	250,000
CAP-949	Youngstown Symphony Orchestra	\$	250,000
CAP-950	Wood County Historical Center & Museum	\$	220,000
CAP-951	Harding Memorial	\$	210,000
CAP-952	Cincinnati Ballet	\$	200,000
CAP-953	City of Avon Stadium Complex	\$	200,000
CAP-954	Renaissance Performing Arts Center	\$	200,000
CAP-956	Oxford Arts Center Historic Renovation	\$	174,000
CAP-957	Wayne County Historical Society - Lincoln Highway	\$	170,000
CAP-958	Maumee Valley Historical Society	\$	150,000
CAP-959	Trumbull County Historical Society	\$	150,000
CAP-960	First Lunar Flight Project	\$	25,000
CAP-961	Holmes County Historical Society Improvements	\$	140,000
CAP-962	Canal Winchester Historical Society	\$	125,000
CAP-963	Ukrainian Museum	\$	100,000
CAP-964	Gordon Square Arts District	\$	100,000
CAP-965	Moreland Theatre Renovation	\$	100,000
CAP-966	Karamu House	\$	100,000
CAP-967	Symmes Township Historical Society - Ross House	\$	100,000
CAP-968	Springfield Veterans Park Amphitheatre	\$	100,000
CAP-969	Gallia County Historical Genealogical Society	\$	100,000
CAP-970	Gallia County French Art Colony	\$	100,000
CAP-971	The Octagon House	\$	100,000
CAP-972	Vinton County Stages - Pavilion Project	\$	100,000
CAP-973	County Line Historical Society (Wayne/Holmes)	\$	100,000
CAP-974	Paul Brown Museum	\$	75,000
CAP-975	The Works - Ohio Center for History, Art and Technology	\$	75,000

CAP-976	Van Wert Historical Society	\$	70,000
CAP-977	Indian Mill Renovations	\$	66,000
CAP-978	Hale Farm & Village	\$	50,000
CAP-979	Howe House Historic Site	\$	50,000
CAP-980	Beavercreek Community Theatre	\$	50,000
CAP-981	Jamestown Opera House	\$	50,000
CAP-982	Johnny Appleseed Museum	\$	50,000
CAP-983	Vinton County Historical Society - Alice's House Project	\$	50,000
CAP-984	Woodward Opera House	\$	50,000
CAP-985	Little Brown Jug Facility Improvements	\$	50,000
CAP-986	Applecreek Historical Society	\$	50,000
CAP-987	Wyandot Historic Building Renovation	\$	50,000
CAP-988	Galion Historic Big Four Depot Restoration	\$	30,000
CAP-989	Bucyrus Historic Depot Renovations	\$	30,000
CAP-990	Myers Historical Stagecoach Inn Renovation	\$	25,000
CAP-991	Arts West Performing Arts Center	\$	25,000
CAP-992	Chester Academy Historic Building	\$	25,000
CAP-993	Portland Civil War Museum and Historic Displays	\$	25,000
CAP-994	Morgan County Historic Opera House	\$	25,000
CAP-996	Crawford Antique Museum	\$	9,000
CAP-997	Monroe City Historical Society Building Repairs	\$	5,000
CAP-998	Wright-Dunbar Historical	\$	250,000
CAP-041	Cleveland Playhouse	\$	200,000
CAP-081	Hip Klotz Memorial Facility Improvements	\$	150,000
CAP-082	Music Hall Garage	\$	1,000,000
CAP-083	AB Graham Center	\$	40,000
CAP-084	Bradford Ohio Railroad Museum Restoration	\$	30,000
CAP-085	WACO Aircraft Museum	\$	30,000
CAP-086	Fort Recovery Renovations	\$	100,000
CAP-087	Columbus Children's Hospital Amphitheater	\$	1,000,000
	Total Cultural Facilities Commission	\$	55,296,000
			55,096,000
TOTAL	Cultural and Sports Facilities Building Fund	\$	55,296,000
			55,096,000

Sec. 235.10.50. THIRD FRONTIER WRIGHT CAPITAL

Notwithstanding sections 151.01 and 151.04 of the Revised Code, of the foregoing appropriation item CAP-068, Third Frontier Wright Capital, up to \$11,400,000 in fiscal year 2008 shall be used by the Office of Information Technology, in partnership with the Ohio Supercomputer Center's OSCnet, to acquire the equipment and services necessary to migrate state agencies' network to the existing OSCnet network backbone. This state network shall be known as the NextGen Network.

The remainder of foregoing appropriation item CAP-068, Third Frontier Wright Capital, 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 Wright Capital. 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 Wright Capital, 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.

		Appropriations
Sec. 235.50.80. STC STARK TECHNICAL COLLEGE		
CAP-004	Basic Renovations	\$ 277,804
CAP-039	Health & Science Building	\$ 5,097,338
Total Stark Technical College		\$ 5,375,142
Total Board of Regents and Institutions of Higher Education		\$ <u>578,636,534</u>
		<u>578,836,534</u>
TOTAL Higher Education Improvement Fund		\$ <u>579,946,534</u>
		<u>580,146,534</u>

SECTION 605.18. That existing Sections 227.10, 235.10.50, and 235.50.80 of Am. Sub. H.B. 699 of the 126th General Assembly are hereby repealed.

SECTION 605.20. That Section 235.20.20 of Am. Sub. H.B. 699 of the 126th General Assembly, as subsequently amended by Am. Sub. H.B. 67 of the 127th General Assembly, be amended to read as follows:

		Appropriations
Sec. 235.20.20. CLS CLEVELAND STATE UNIVERSITY		
CAP-023	Basic Renovations	\$ 3,796,031
CAP-125	College of Education	\$ 10,115,719
CAP-148	Cleveland Institute of Art	\$ 1,000,000
<u>CAP-155</u>	<u>Cleveland Playhouse</u>	<u>\$ 200,000</u>

Am. Sub. H. B. No. 119

1834

CAP-163	Anthropology Department Renovations/Relocation	\$	400,000
CAP-164	Chester Building Annex Demolition	\$	921,583
CAP-165	Bakers Building Renovations	\$	1,328,583
CAP-167	Cleveland State University Windtower Generator Project	\$	400,000
CAP-168	Kenston Wind Turbine Project in Geauga (CSU Engineering Department)	\$	300,000
Total Cleveland State University		\$	18,261,916 <u>18,461,916</u>

SECTION 605.21. That existing Section 235.20.20 of Am. Sub. H.B. 699 of the 126th General Assembly, as subsequently amended by Am. Sub. H.B. 67 of the 127th General Assembly, is hereby repealed.

SECTION 605.23. That Section 203.20 of Sub. S.B. 321 of the 126th General Assembly be amended to read as follows:

Sec. 203.20. AGO ATTORNEY GENERAL

Tobacco Master Settlement Agreement Fund Group

J87 055-635	Law Enforcement Technology, Training, and Facility Enhancements	\$	620,000	\$	0 <u>3,350,000</u>
U87 055-402	Tobacco Settlement Oversight, Administration, and Enforcement	\$	673,797	\$	723,797
TOTAL TSF Tobacco Master Settlement Agreement Fund Group		\$	1,293,797	\$723,797	<u>4,073,797</u>
TOTAL ALL BUDGET FUND GROUPS		\$	1,293,797	\$	723,797 <u>4,073,797</u>

SECTION 605.24. That existing Section 203.20 of Sub S.B. 321 of the 126th General Assembly is hereby repealed.

SECTION 621.05. That Section 153 of Am. Sub. H.B. 117 of the 121st General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, be amended to read as follows:

Sec. 153. (A) Sections 5112.01, 5112.03, 5112.04, 5112.05, 5112.06, 5112.07, 5112.08, 5112.09, 5112.10, 5112.11, 5112.18, 5112.19, 5112.21, and 5112.99 of the Revised Code are hereby repealed, effective October 16, ~~2007~~ 2009.

(B) Any money remaining in the Legislative Budget Services Fund on October 16, ~~2007~~ 2009, the date that section 5112.19 of the Revised Code is repealed by division (A) of this section, shall be used solely for the purposes

stated in then former section 5112.19 of the Revised Code. When all money in the Legislative Budget Services Fund has been spent after then former section 5112.19 of the Revised Code is repealed under division (A) of this section, the fund shall cease to exist.

SECTION 621.06. That existing Section 153 of Am. Sub. H.B. 117 of the 121st General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, is hereby repealed.

SECTION 631.04. That Section 3 of Am. Sub. H.B. 694 of the 126th General Assembly is hereby repealed.

SECTION 631.05. The amendments to sections 3517.13 and 3517.992 of the Revised Code by Am. Sub. H.B. 694 of the 126th General Assembly shall apply only to contributions made on or after April 4, 2007.

SECTION 631.06. The provisions of sections 631.04 and 631.05 of this act clarify the General Assembly's original intent in enacting Am. Sub. H.B. 694 of the 126th General Assembly, are remedial in nature, and apply to contracts awarded on or after the effective date of that act.

SECTION 701.10. Not later than thirty days after the effective date of this section, the Director of Development shall convene a task force composed of experts from the economic development community, local governments, and consultants involved in the site selection and negotiation process to study the economic development incentives that are available to local governments, regional groups, and the state. Not later than January 1, 2008, the Director shall submit a written report to the Speaker of the House of Representatives and the President of the Senate on the findings of the task force and make recommendations for changes to Ohio's local, regional, and state economic development incentives so that those incentives are more effective in strengthening Ohio's economy and are less complex, faster to implement, and more transparent to the taxpayers of Ohio.

SECTION 703.10. The Governor's Office of Faith-Based and Community Initiatives, with the assistance of the Advisory Board of the Governor's

Office of Faith-Based and Community Initiatives, shall conduct a study of the feasibility and advisability of the Office becoming a private nonprofit entity rather than a part of the Governor's office. The study and any resulting recommendations shall be submitted, not later than July 1, 2008, to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Minority Leaders of the House of Representatives and the Senate.

SECTION 706.03. (A) As used in this section, "appointing authority" has the same meaning as in section 124.01 of the Revised Code, and "exempt employee" has the same meaning as in section 124.152 of the Revised Code.

(B) Notwithstanding section 124.181 of the Revised Code, both of the following apply:

(1) In cases where no vacancy exists, an appointing authority may, with the written consent of an exempt employee, assign duties of a higher classification to that exempt employee for a period of time not to exceed two years, and that exempt employee shall receive compensation at a rate commensurate with the duties of the higher classification.

(2) If necessary, exempt employees who are assigned to duties within their agency to maintain operations during the Ohio Administrative Knowledge System (OAKS) implementation may agree to a temporary assignment that exceeds the two-year limit.

SECTION 735.10. (A) Nothing in division (L)(1)(c) of section 3517.13 of the Revised Code, as enacted by this act, shall exempt the holder of the public office with ultimate responsibility for the award of the contract from complying with section 3517.093 of the Revised Code prior to the Secretary of State adopting rules under division (L)(1)(c) of section 3517.13 of the Revised Code.

As used in division (A) of this section, "holder of the public office with ultimate responsibility for the award of the contract" has the same meaning as in section 3517.093 of the Revised Code.

(B) Nothing in division (L)(1)(c) of section 3517.13 of the Revised Code, as enacted by this act, shall exempt a state agency or department, a political subdivision, the Administrator of Workers' Compensation, or the employees of the Bureau of Workers' Compensation from complying with divisions (I), (J), (Y), and (Z) of that section, as applicable, prior to the Secretary of State adopting rules under division (L)(1)(c) of that section.

SECTION 737.10. Notwithstanding any provision of law to the contrary, on January 1, 2008, the terms of office of the members of the Sewage Treatment System Technical Advisory Committee created in section 3718.03 of the Revised Code whose terms expire in 2008 and in 2009 shall terminate. The appointing authorities specified in divisions (A)(1), (2), and (3) of that section as amended by this act, the Governor, the President of the Senate, and the Speaker of the House of Representatives, shall appoint new members to the Committee in accordance with that section to replace the members whose terms are terminated. However, members appointed to replace the members whose terms were to expire in 2009 shall be appointed for a term of four years instead of three years as required by section 3718.03 of the Revised Code. Members whose terms expire on January 1, 2008, by the operation of this section may be reappointed by the Governor, President of the Senate, or Speaker of the House of Representatives in accordance with this section and section 3718.03 of the Revised Code.

SECTION 737.11. (A) There is hereby created the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission consisting of the following members:

(1) A representative of the Department of Health appointed by the Director of Health;

(2) A representative of the Environmental Protection Agency appointed by the Director of Environmental Protection;

(3) A representative of the Department of Natural Resources appointed by the Director of Natural Resources;

(4) Five members appointed by the Association of Ohio Health Commissioners, one of whom shall be from the northwest region of the state, one of whom shall be from the northeast region of the state, one of whom shall be from the southwest region of the state, one of whom shall be from the southeast region of the state, and one of whom shall be from the central region of the state. In making the appointments, special consideration shall be given to a county in which at least twenty-five per cent of the parcels of land are serviced by sewage treatment systems.

(5) One member appointed by the Association of Ohio Pedologists;

(6) One member appointed by the County Commissioners Association of Ohio;

(7) One member appointed by the County Engineers Association of Ohio;

- (8) One member appointed by the Ohio Association of Realtors;
- (9) One member appointed by the Ohio Environmental Council;
- (10) One member appointed by the Ohio Environmental Health Association;
- (11) One member appointed by the Ohio Home Builders Association;
- (12) One member appointed by the Ohio Manufactured Homes Association;
- (13) Two members appointed by the Ohio Onsite Wastewater Association;
- (14) One member appointed by the Ohio Precast Concrete Association;
- (15) One member appointed by the Ohio Public Health Association;
- (16) One member appointed by the Ohio State University Extension;
- (17) One member appointed by the Ohio Township Association;
- (18) One member appointed by the Ohio Waste Haulers Association;
- (19) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, two from the majority party and one from the minority party;
- (20) Three members of the Senate appointed by the President of the Senate, two from the majority party and one from the minority party;
- (21) One member appointed by the Ohio Farm Bureau Federation;
- (22) One member appointed by the Ohio Farmers Union;
- (23) One member appointed by the Ohio Society of Professional Engineers.

(B) All appointments shall be made to the Commission not later than thirty days after the effective date of this section. One member of the Senate and one member of the House of Representatives jointly designated by the President of the Senate and the Speaker of the House of Representatives shall serve as co-chairpersons of the Commission. The Commission shall hold its first meeting not later than sixty days after the effective date of this section and shall hold regular meetings as necessary after the initial meeting.

(C) The Commission shall study issues concerning household sewage treatment systems and small flow on-site sewage treatment systems and shall recommend appropriate legislation to the General Assembly establishing reasonable standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of household sewage treatment systems and small flow on-site sewage treatment systems for the purpose of the treatment of sewage and the prevention of public health nuisances. In making recommendations regarding such standards, the Commission shall consider the economic impact of those standards on property owners, the state of technology currently utilized in household

sewage treatment systems and small flow on-site sewage treatment systems, and the nature and economics of available alternatives to that technology. The Commission also shall explore and establish recommendations regarding funding sources for and mechanisms for providing assistance to homeowners for paying the cost of compliance with the new proposed standards.

(D) Not later than December 1, 2008, the Commission shall submit a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Upon the submission of the report, the Commission shall cease to exist.

(E) As used in this section and Section 737.12 of this act, "household sewage treatment system" and "small flow on-site sewage treatment system" have the same meanings as in section 3718.01 of the Revised Code.

SECTION 737.12. (A) The Director of Health shall issue a report to the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission created in Section 737.11 of this act that includes recommendations regarding standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of household sewage treatment systems and small flow on-site sewage treatment systems. The recommendations shall include information concerning the cost and state of technology currently utilized in household sewage treatment systems and small flow on-site sewage treatment systems and the nature and economics of available alternatives to that technology. The Director shall issue the report to the Commission not later than January 1, 2008.

(B) The Director shall conduct a survey of boards of health in this state concerning household sewage treatment system operations and the failure rates of those systems. The Director shall issue a report concerning the survey to the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission not later than June 1, 2008. Boards of health shall provide, in a timely manner, any and all relevant information pertaining to the household sewage treatment system program that is requested by the Director under this division and that the Director determines to be necessary for completion of the survey.

SECTION 737.20. In enacting section 5.2235 of the Revised Code, the members of the General Assembly call on the people of this state to recognize the important role that a nutritious diet plays in their health and well-being. The members of the General Assembly are aware that according

to the United States Department of Health and Human Services, dietary changes could reduce cancer deaths in the United States by as much as thirty-five per cent. Only twenty-five per cent of American adults eat the recommended servings of fruits and vegetables each day. More than sixty per cent of young Americans eat too much fat, and less than twenty per cent eat the recommended servings of fruits and vegetables. The members of the General Assembly thus encourage all the people of this state to review both the United States Department of Health and Human Services' "Dietary Guidelines for Americans" and the United States Department of Agriculture's food pyramid recommendations and to work toward developing a nutritious lifestyle.

SECTION 737.21. In enacting section 5.2235 of the Revised Code, the members of the General Assembly also call on the people of this state to make daily exercise a priority. The members of the General Assembly are aware that according to the United States Center for Disease Control and Prevention, twenty-six per cent of all Ohioans report no leisure time or physical activity, and sixty per cent of Ohioans are overweight or obese, which is the thirteenth highest level in the United States. The members of the General Assembly thus encourage individuals, community organizations, local governments, and schools, when holding celebrations, to include physical and athletic activities and to work toward the goal of a state whose citizens are healthy, active, and physically fit.

SECTION 737.30. The amendment to section 3745.04 of the Revised Code by this act applies to any action of the Director of Environmental Protection that is the subject of an appeal to the Environmental Review Appeals Commission that is already pending on the effective date of the amendment to that section by this act as well as to actions appealed after the effective date of that amendment.

SECTION 739.10. Section 3905.36 of the Revised Code is amended by this act for the purpose of clarifying the intent of the 126th General Assembly when it amended division (B)(4) of section 3905.36 of the Revised Code. Notwithstanding any provision of section 3905.36 of the Revised Code to the contrary, all agencies and departments of the state or any political subdivision shall apply the legislative intent from this amendment as of January 1, 2007.

SECTION 745.10. (A) The enactment of section 4517.261 of the Revised Code is intended as a clarification of existing law allowing documentary service charges to be assessed in all retail and wholesale sales and leases of motor vehicles, including those involving a retail installment sale and those not involving a retail installment sale, including leases, cash transactions, and transactions in which consumers obtain their own financing.

(B) The enactment of section 4517.261 of the Revised Code expresses the legislative intent of the General Assembly currently and at the time of the original enactment of the Revised Code by recognizing that motor vehicle dealers may charge, and historically have charged, a documentary service charge in all transactions, including those involving a retail installment sale and those not involving a retail installment sale, including leases, cash transactions, and transactions in which consumers obtain their own financing.

SECTION 747.10. (A) There is hereby created the Nursing Education Study Committee consisting of the following members:

(1) Two members of the House of Representatives who are members of the same political party as the Speaker of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(2) One member of the House of Representatives who is a member of the largest political party of which the Speaker of the House of Representatives is not a member, to be appointed by the Speaker of the House of Representatives;

(3) Two members of the Senate who are members of the same political party as the President of the Senate, to be appointed by the President of the Senate, one of whom shall be designated as the temporary chairperson of the Committee;

(4) One member of the Senate who is a member of the largest political party of which the President of the Senate is not a member, to be appointed by the President of the Senate;

(5) One member of the Ohio Nurses Association, to be appointed by the Ohio Nurses Association;

(6) One member of the Licensed Practical Nurse Association of Ohio, to be appointed by the Licensed Practical Nurse Association of Ohio;

(7) One member of the Ohio Board of Nursing, to be appointed by the Ohio Board of Nursing;

(8) One member of the Ohio Board of Regents, to be appointed by the

Ohio Board of Regents;

(9) One member of the Ohio Hospital Association, to be appointed by the Ohio Hospital Association;

(10) One member of the Ohio Association of Community Health Agencies, to be appointed by the Ohio Association of Community Health Agencies;

(11) One nursing educator from an associate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(12) One nursing educator from a baccalaureate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(13) One nursing educator from a graduate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(14) One nursing educator from a private university with a nursing education program, to be appointed by the President of the Senate;

(15) One nursing educator from a state university with a nursing education program, to be appointed by the President of the Senate.

(B) Appointments to the Committee shall be made not later than September 1, 2007. Members of the Committee shall serve without compensation.

(C) The member of the Committee designated as the temporary chairperson shall call the initial meeting of the Committee. At that initial meeting, the Committee shall elect a chairperson, by majority vote, from among its members. Thereafter, the chairperson shall call meetings as the chairperson considers necessary for the Committee to carry out its duties.

(D)(1) The Committee shall study the current nurse faculty shortage and the shortage of clinical placement sites for nursing education programs, with a focus on the critical needs of nursing faculty at Ohio's institutions of higher education and alternatives to clinical placement sites.

(2) In conducting the study required under division (D)(1) of this section, the Committee shall consider, but is not limited to, all of the following:

(a) Salary disparities for nursing faculty members as compared to faculty members in other disciplines and as compared to salaries for master's degree-prepared nurses in health care settings;

(b) The feasibility and financial implications of providing a refundable state income tax credit to nursing faculty members for a specified limited period of time;

(c) The feasibility and financial implications of providing assistantships at a stipend level to nurses pursuing master's degrees or doctoral study who agree to become nursing faculty members in Ohio;

(d) The extent to which clinical simulation devices could be used to decrease the number of hours nursing students are required to spend providing care directly to patients in a clinical setting, including the portion of clinical hours that could be obtained in a clinical simulation laboratory;

(e) The disparity in the number of clinical hours students are required to complete in Ohio nursing education programs;

(f) The extent to which nursing education programs are adequately preparing nurses to provide care in community or public health settings, particularly to the geriatric population;

(g) Ways in which nurses may be more effectively utilized to train or educate health care workers providing care in community or public health settings.

(3) Not later than December 31, 2008, the Committee shall prepare and submit a report to the General Assembly that focuses on the following topics and also includes a recommendation for a range of clinical hours nursing students shall be required to complete to assure adequate practice experience:

(a) Strategies to produce more nursing faculty;

(b) Ways to address the issue of insufficient clinical placement opportunities.

Upon submission of the report, the Committee shall cease to exist.

(E) Sections 101.82 to 101.87 of the Revised Code do not apply to the Committee.

SECTION 749.10. Consistent with divisions (A)(6) to (A)(8) of section 4927.02 of the Revised Code, the Public Utilities Commission shall establish a study mechanism to make recommendations for a competitively neutral telecommunications relay service funding program for costs incurred in calendar year 2009 and thereafter and submit the recommendations to the General Assembly by January 1, 2009.

SECTION 751.10. The Director of Job and Family Services and the Director of Development jointly shall prepare a plan to utilize the funds the state receives to administer the federal "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, to train workers within this state and jointly shall submit that plan to the Governor, the President of the Senate, and the Speaker of the House of Representatives within one year after the effective date of this section.

SECTION 751.20. The Department of Job and Family Services shall provide guidance to local workforce policy boards to encourage the broadest participation by training providers, including those providers who are proprietary schools, who demonstrate effectiveness in providing training opportunities to eligible Ohioans under the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended.

SECTION 753.20. (A) The staff of the Legislative Service Commission shall study the feasibility and potential results of the state's offering incentives for local entities, including municipal corporations, counties, townships, local historical societies, and regional authorities, to assume control of state historical sites. The incentives to be studied shall include the establishment of tax credits, the contribution of capital dollars, and the creation of an endowment-matching program.

The study shall focus on the cost and funding aspects of the incentives that are studied. In addition, the study shall attempt to determine the potential results of providing each incentive at varying levels.

(B) Not later than six months after the effective date of this section, the staff of the Commission shall report its findings to the Commission.

SECTION 753.30. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to the City of Columbus, and its successors and assigns, all of the state's right, title, and interest in real estate consisting of approximately 13 acres in Franklin Township of Franklin County, being part of or near the former Training Institution Central Ohio, together with any perpetual easements of access over certain existing or future driveways, the real estate being more particularly described as follows:

Situated in the State of Ohio, County of Franklin, City of Columbus, Township 5 North, Range 23 West and in the Virginia Military District. Being a part of the State of Ohio original 300-acre tract of record in Deed Book 101, page 390 of the Recorder's Records, Franklin County, Ohio, and being more particularly described as follows:

Beginning, For Reference, at an iron pin with identification cap stamped "Patridge" found marking the intersection of the easterly line of the Wheatland Avenue 40-foot-wide Right-of-Way and the Northerly line of West Broad Street 80-foot-wide Right-of-Way;

thence North 5°12'48" West 2612.22 feet, in said easterly line of Wheatland Avenue and vacated Wheatland Avenue, to a 5/8-inch reinforcing rod found; thence South 75°43'06" East 188.42 feet, to an iron pipe set marking the Place of Beginning of the tract herein described;

thence North 5°02'11" West 384.70 feet, to an iron pipe set;

thence North 67°03'42" East 118.78 feet, to an iron pipe set;

thence North 74°42'07" East 230.99 feet, to an iron pipe set;

thence North 79°39'53" East 191.19 feet, to a 5/8-inch reinforcing rod found marking the most easterly corner of the Gang of Four, Ltd. 5.254-acre tract of record in Instrument Number 199902040029850 of said Recorder's Records, in a northerly line of said 300-acre tract and a Point of Tangency in the original southerly line of the Camp Chase Industrial Railroad Corporation Tract of record in Official Record 28363 F03 of said Recorder's Records;

thence North 86°38'37" East 383.75 feet, in a southerly line of said Camp Chase Railroad tract and in a northerly line of said 300-acre tract, to an iron pipe set;

thence South 04°38'21" West 694.64 feet, to an iron pipe set;

thence South 75°43'06" East 174.01 feet, to an iron pipe set;

thence North 89°32'10" East 521.90 feet, to an iron pipe set;

thence South 85°04'20" East 161.72 feet, to an iron pipe set;

thence South 14°52'48" East 63.77 feet, to a spike set;

thence North 85°04'20" West 180.51 feet, to an iron pipe set;

thence South 89°32'10" West 526.84 feet, to an iron pipe set;

thence North 75°43'06" West 1005.86 feet, to the Place of Beginning containing 12.997 acres, more or less.

This description is based on a field survey in April and May of 2007 by Gary L. Elswick, Professional Surveyor #6395. Iron pipes set are 3/4-inch ID galvanized pipe with identification cap stamped "HOCKADEN". Bearings are assumed and for the determination of angles only.

This description may be modified to a final form if modifications are needed.

(B)(1) Consideration for the conveyance of the real estate is the purchase price of \$194,955.00.

(2) The State may also require additional consideration for any perpetual easement needed by the City of Columbus to access the real estate. The consideration shall be a price mutually agreed upon between the City of Columbus and the state.

(C)(1) The conveyance of the real estate is subject to the following conditions and restrictions:

(a) The City of Columbus and its successors and assigns shall receive written approval from the state to use or develop the real estate for any purpose other than a police heliport or uses or developments incident thereto.

(b) The City of Columbus shall, prior to selling, conveying, or transferring ownership of the real estate, first offer the state the right to purchase the real estate at a price not less than fair market value as appraised by a disinterested party.

(2) The conveyance may be subject to conditions and restrictions that have been determined necessary by the Director of Administrative Services to assure there is no interference with state uses on state-owned real estate that adjoins the real estate conveyed.

(D) 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. The deed shall state the consideration and the conditions and restrictions. The deed shall be executed by the Governor in the name of the state, shall be countersigned by the Secretary of State, shall be sealed with the Great Seal of the State, shall be presented for recording in the Office of the Auditor of State, and shall be delivered to the City of Columbus. The City of Columbus shall present the deed for recording in the Office of the Franklin County Recorder.

(E) The City of Columbus shall pay the costs of the conveyance.

(F) This section expires one year after its effective date.

SECTION 753.40. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to the City of Celina the state's right of reverter retained in the conveyance authorized in Am. H.B. 823 of the 112th General Assembly in the following described real estate:

Being a parcel of land situated in the City of Celina, Jefferson Township, Mercer County, Ohio, and in the northwest quarter of Section 6, Township 6 South, Range 3 East, being more particularly described as follows:

Commencing at an iron pin with cap set at the most southern point of lot number 6 of Dickman's Addition (Plat Book 2, Page 3) in the City of Celina;
thence N 68°42'59" W, 20.00 feet along the south line of said Dickman's Addition to an iron pin with cap set as the Point of Beginning;
thence S 57°41'29" W, 210.06 feet to an iron pin with cap set;
thence N 46°02'00" W, 214.80 feet to an iron pin with cap set;
thence S 73°50'04" E, 102.64 feet along the south line of said Dickman's Addition to an iron pin with cap set;

thence N 75°48'13" E, 132.78 feet along the south line of said Dickman's Addition to an iron pin with cap set;

thence S 68°42'59" E, 112.51 feet along the south line of said Dickman's Addition to the Point of Beginning, containing 0.535 acres of land more or less, subject to all valid easements and right-of-way.

All bearings were calculated from angles turned in an actual field survey by Kent B. Marbaugh, Registered Surveyor #7421, dated April 16, 2007, on file in the County Engineer's Office.

The state retains its right of reverter for the remainder of the real estate conveyed pursuant to that act.

(B) Consideration for conveyance of the right of reverter is the mutual benefit accruing to the state and to the City of Celina from the reconfiguration of the entrance to the city park located on the real estate conveyed in Am. H.B. 823 of the 112th General Assembly.

(C) The Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate conveying the right of reverter. 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, presented in the office of the Auditor of State for recording, and delivered to the City of Celina. The City of Celina shall present the deed for recording in the office of the Mercer County Recorder.

(D) This section expires four years after its effective date.

SECTION 753.50. (A) The Governor is hereby authorized to execute releases in the name of the state releasing to the Dairy Barn Southeastern Ohio's Cultural Arts Center, Inc., the state's reversionary interests retained in the conveyance authorized in Am. H.B. 552 of the 113th General Assembly, which is recorded at volume 364, page 558 in the office of the Athens County Recorder, and in the conveyance authorized in Am. H.B. 385 of the 116th General Assembly, which is recorded at Official Records volume 25, page 443 in the office of the Athens County Recorder. The release of the reversionary interests will remove impediments to financing of improvements to continue cultural arts programs.

(B) The Department of Administrative Services, with the assistance of the Attorney General, shall prepare the releases of the reversionary interests contained in the conveyances described in division (A) of this section. The releases shall be executed by the Governor in the name of the state and presented in the office of the Auditor of State for recording. The Dairy Barn Southeastern Ohio's Cultural Arts Center, Inc., shall present the releases for

recording in the office of the Athens County Recorder.

(C) This section expires one year after its effective date.

* SECTION 755.03. The Director of Transportation may conduct a twelve-month pilot project to be completed not later than June 30, 2009, for energy price risk management by entering into a contract with a qualified provider of energy risk management services. The contract may include rate analysis, negotiation services, market and regulatory analysis, budget and financial analysis, and mitigation strategies for volatile energy sources, including natural gas, gasoline, oil, and diesel fuel, but shall not include energy procurement and shall not subject more than thirty per cent of the Department's annual energy needs to the risk management services. The Director shall select the energy risk management services provider through a qualifications-based selection process, subject to Controlling Board approval. The contract shall specify that the Department may share the analysis and services of the energy risk management services provider with all state agencies and operations. The Director may use revenues from the state motor vehicle fuel tax or other funds appropriated by the General Assembly for the pilot project to pay amounts due under the contract and shall deposit any amounts received under the contract into the Highway Operating Fund created under section 5735.291 of the Revised Code.

SECTION 757.01. Every two years during biennial budget deliberations, the Tax Commissioner shall review the percentage of the total price of electricity that is indicated under division (C)(2) of section 5727.81 of the Revised Code, as amended by this act. Such review shall include a consideration of the fluctuations in the price of electricity that have occurred in the most recent two fiscal years and other factors influencing the economy of the state.

SECTION 757.03. (A) Beginning in July 2007 and ending in November 2007, on or before the seventh day of each month, the Tax Commissioner shall determine and certify to the Director of Budget and Management the amount to be credited from each tax source under divisions (B), (C), and (D) of this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund.

(B) Notwithstanding sections 5727.45, 5727.84, 5733.12, 5739.21,

5741.03, and 5747.03 of the Revised Code or any other provision of law to the contrary, for each month in the period beginning July 1, 2007, and ending November 30, 2007, tax revenues credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under those sections shall instead be credited as follows:

(1) An amount shall first be credited to the Local Government Fund as prescribed under division (C) of this section;

(2) An amount shall next be credited to the Local Government Revenue Assistance Fund as prescribed under division (C) of this section;

(3) An amount shall next be credited to the Library and Local Government Support Fund as prescribed under division (D) of this section.

In December 2007, an amount totaling \$1,000,000 shall be credited from amounts otherwise scheduled to be credited to the Local Government Fund to the Local Government Services Collaboration Grant Fund established under section 384.10 of this act.

(C) Receipts from the corporation franchise, sales and use, public utility excise, kilowatt-hour, and personal income taxes shall be credited to the Local Government Fund and the Local Government Revenue Assistance Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006.

(D) Receipts from the personal income tax shall be credited to the Library and Local Government Support Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006, except that the amount credited to the Local Government Fund from personal income tax revenue shall be reduced by an additional \$1,000,000 and this reduction shall be borne entirely by the countywide nontownship and nonvillage distribution in January 2008.

(E)(1) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and

the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section exceed the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be reduced accordingly.

(2) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section are less than the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be increased accordingly.

(F) The total amount credited each month under this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund shall be distributed on or before the tenth day of the immediately succeeding month as follows:

(1) Each county undivided Local Government Fund shall receive a distribution from the Local Government Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(2) Each municipal corporation receiving a direct distribution from the Local Government Fund shall receive a distribution that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(3) Each county undivided Local Government Revenue Assistance Fund shall receive a distribution from the Local Government Revenue Assistance Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(4) Each county undivided Library and Local Government Support Fund shall receive a distribution from the Library and Local Government Support Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(G) Distributions shall not be made in accordance with sections 5747.47 and 5747.50 of the Revised Code until January 1, 2008.

(H) Notwithstanding section 5747.47 of the Revised Code, the Tax Commissioner is not required to issue the certification required by that section to be made in December 2007 for calendar year 2007. The Tax Commissioner may, as the Commissioner considers appropriate, provide to

each county auditor additional revised estimates or other information relating to distributions in 2007, 2008, or 2009 at any time during the period beginning July 1, 2007, and ending June 30, 2009.

(I)(1) Notwithstanding division (A) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Local Government Fund an amount equal to three and sixty-eight one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded. Moneys credited to the Local Government Fund under division (I)(1) of this section shall be distributed in January 2008 in accordance with section 5747.50 of the Revised Code.

(2) Notwithstanding division (B) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Library and Local Government Support Fund an amount equal to two and twenty-two one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded. Moneys credited to the Library and Local Government Support Fund under division (I)(2) of this section shall be distributed in January 2008 in accordance with section 5747.47 of the Revised Code.

SECTION 757.04. Notwithstanding sections 5747.46 and 5747.47 of the Revised Code or any other provision of law to the contrary, a county's actual Library and Local Government Support Fund total entitlement for the 2007 distribution year shall equal the amount that was distributed to the county's Library and Local Government Support Fund from the Library and Local Government Support Fund during the 2007 calendar year. Each county's resulting calendar year 2007 Library and Local Government Support Fund entitlement shall be used by the Tax Commissioner for purposes of determining the guaranteed share of the Library and Local Government Support Fund in section 5747.46 of the Revised Code for the 2008 distribution year and shall be used by the Commissioner in making:

(A) The calendar year 2008 estimated entitlements of the Library and

Local Government Support Fund required by section 5747.47 of the Revised Code to be certified to county auditors in July 2007, December 2007, and June 2008; and

(B) The calendar year 2008 actual Library and Local Government Support Fund entitlement computations required by section 5747.47 of the Revised Code to be certified to county auditors in December 2008.

SECTION 757.06. As used in this section, "electric company tax value loss" has the same meaning as in section 5727.84 of the Revised Code.

The amendment by this act of division (D) of section 5727.84 of the Revised Code is remedial in nature. The Tax Commissioner shall determine the amount of any additional electric company tax value loss resulting from that amendment. Notwithstanding the deadlines prescribed in sections 5727.84, 5727.85, and 5727.86 of the Revised Code to the contrary, the Tax Commissioner and the Department of Education shall perform all of the computations and make all of the certifications and payments described in those sections in connection with any additional electric company tax value loss resulting from division (D)(4) of section 5727.84 of the Revised Code, as amended by this act.

SECTION 757.07. For tax years 2007 and thereafter, telephone, telegraph, and interexchange telecommunications companies, as defined in section 5727.01 of the Revised Code, shall list taxable property at the percentage of true value required in Chapter 5711. of the Revised Code. For purposes of assigning taxable valuation to each taxing district for those years, the Tax Commissioner shall continue to use the apportionment provisions of Chapter 5727. of the Revised Code. However, such property shall be listed by the county auditor and certified to the county treasurer for collection under the provisions applicable to the general tax list of personal property and not upon the tax list and duplicate of real and public utility personal property.

SECTION 757.08. Resolutions adopted by a board of township trustees of a limited home rule township pursuant to Chapter 504. and section 5709.73 of the Revised Code in December 2005 are hereby deemed to have had an immediate effective date if the board unanimously adopts a resolution so declaring. This section applies to applications for exemption under section 5709.73 of the Revised Code pending before the Tax Commissioner on the effective date of this section and to such applications filed or refiled within

90 days after that effective date.

SECTION 757.10. The Office of Information Technology, in conjunction with the Department of Taxation, may acquire the State Taxation Accounting and Revenue System (STARS) pursuant to Chapter 125. of the Revised Code, including, but not limited to, the application software and installation and implementation thereof, for the use of the Department of Taxation. STARS is an integrated tax collection and audit system that will replace all of the state's existing separate tax software and administration systems for the various taxes collected by the state. Any lease-purchase arrangement used under Chapter 125. of the Revised Code to acquire STARS, including any fractionalized interests therein as defined in division (N) of section 133.01 of the Revised Code, must provide that at the end of the lease period, STARS becomes the property of the state.

SECTION 757.20. (A) As used in this section, "commercial or industrial parcel subject to assessment" means a parcel that is classified by a county auditor as commercial or industrial according to the county auditor's use codes as listed in the Conservancy Appraisal Record of the Muskingum Watershed Conservancy District.

(B) The board of directors of the Muskingum Watershed Conservancy District shall prepare written notification of the maintenance assessment to be levied by the District under section 6101.53 of the Revised Code that is scheduled to begin collection in calendar year 2008. The notification shall include a statement that the District intends to levy the maintenance assessment and shall include, with respect to each person to whom notification is required to be sent under division (C) of this section, an indication of the amount of the maintenance assessment that is applicable to that person.

(C) The board of directors of the Muskingum Watershed Conservancy District shall cause to be sent by United States mail the notification of the maintenance assessment that is required in division (B) of this section to each person who owns property within the territorial boundaries of the district that is a commercial or industrial parcel subject to assessment. The notification shall be sent not later than ninety days prior to the date on which the maintenance assessment is scheduled to begin collection.

SECTION 757.30. Notwithstanding section 321.261 of the Revised Code,

a board of county commissioners of a county with a population exceeding one million two hundred thousand may, by resolution, authorize the use of up to three million dollars in the county's delinquent tax and assessment collection fund to prevent residential mortgage foreclosures in the county and to assist municipal corporations located in the county in the nuisance abatement of deteriorated residential buildings in foreclosure. The funds shall be used to provide financial assistance in the form of loans to borrowers in default on their home mortgages, including for the payment of late fees, to clear arrearage balances, and to augment moneys used in the county's Foreclosure Prevention Program. The funds also shall be used to assist municipal corporations located in the county, upon application to the county department of development for the funds, in the nuisance abatement of deteriorated residential buildings in foreclosure, including paying the costs of boarding up such buildings and lot maintenance and demolition costs. Funds shall not be accessed or used for the purposes provided under this section after June 30, 2008.

SECTION 757.40. As used in this section, "Ohio Business Gateway" has the same meaning as in section 718.051 of the Revised Code.

The tax collected by a motor vehicle dealer on sales of motor vehicles to nonresident purchasers under the provisions of section 5739.029 of the Revised Code occurring prior to July 1, 2008, shall be reported and remitted as follows:

(A) The motor vehicle dealer shall provide evidence to the clerk of courts that the tax was collected from the nonresident purchaser at the time the dealer applies for title to the vehicle. Notwithstanding section 4505.06 of the Revised Code, the clerk of courts shall issue the appropriate title for any vehicle sold to a nonresident purchaser when the evidence required by this division is provided by the motor vehicle dealer. For purposes of this division, an application for title made by a motor vehicle dealer that indicates the amount of the sales tax collected by the dealer shall constitute the required evidence.

(B) By the tenth day of each month, each motor vehicle dealer shall, for each location from which the dealer makes sales of motor vehicles, remit the tax collected on all motor vehicles sold during the preceding month to nonresident purchasers through the Ohio Business Gateway in the manner prescribed by the Tax Commissioner.

(C) The Ohio Office of Information Technology shall, on or before the

fifteenth day of each month, issue a report of nonresident motor vehicle sales tax payments made through the Ohio Business Gateway by each motor vehicle dealer for sales made during the preceding month. The report shall be in the form prescribed by the Tax Commissioner. A copy of the report shall be provided to the Tax Commissioner and to the Registrar of Motor Vehicles.

(D) The Registrar of Motor Vehicles shall compare the report issued by the Ohio Office of Information Technology pursuant to division (C) of this section with the motor vehicle titles issued by its office for vehicles sold to nonresident purchasers and report any discrepancies to the Tax Commissioner by the last day of the month in which the report is received.

(E) The Commissioner may collect from a motor vehicle dealer any tax due on sales of motor vehicles to nonresident purchasers of motor vehicles pursuant to section 5739.029 of the Revised Code that has not been remitted through the Ohio Business Gateway as provided in this section by assessment in the manner provided in section 5739.13 of the Revised Code.

(F) If any motor vehicle dealer fails to remit tax for any of its locations on sales to nonresident purchasers through the Ohio Business Gateway in the manner provided in division (B) of this section, the Tax Commissioner may assess a late payment fee not to exceed one hundred dollars for each such location. The late payment fee shall be considered as revenue arising from the tax and may be collected by assessment in the manner provided in section 5739.13 of the Revised Code.

(G) The revenue deposited into the state treasury from taxes paid pursuant to section 5739.029 of the Revised Code and this section shall be credited to the state general revenue fund. From the amounts so credited, a share shall be distributed to the counties as follows:

(1) Five-sixtieths of the revenue collected shall be distributed to the county where the sale is situated under 5739.035 of the Revised Code;

(2) Distributions made to each county shall be made not later than seventy-five days after the report is filed under division (C) of this section;

(3) The amount to be so distributed to each county shall be credited to the funds of the county as provided by divisions (A) and (B) of section 5739.211 of the Revised Code.

SECTION 803.03. The amendment or enactment by this act of sections 3119.022, 3119.023, 3119.05, 3119.29, 3119.30, 3119.302, and 3119.32 of the Revised Code first applies on February 1, 2008, or on the effective date of regulations defining "reasonable cost" issued by the United States Secretary of Health and Human Services, whichever is later.

SECTION 803.06. The amendments by this act to sections 323.151, 323.152, 323.153, and 323.154 of the Revised Code are first effective for tax year 2007, and the amendments to sections 4503.064, 4503.065, 4503.066, and 4503.067 of the Revised Code are first effective for tax year 2008, and the following provisions shall apply:

(A) Notwithstanding the filing deadlines set forth in sections 323.153 and 4503.066 of the Revised Code, original applications requesting reductions pursuant to division (A) of section 323.152 or section 4503.065 of the Revised Code may be filed not later than October 1, 2007. Notwithstanding the deadlines set forth in division (A) of section 323.153 of the Revised Code for homesteads in a housing cooperative, not later than August 1, 2007, the nonprofit corporation that owns and operates the housing cooperative shall obtain original applications from the county auditor and provide one to each occupant in the cooperative. Not later than September 1, 2007, any occupant who may be eligible for the reduction in taxes under division (A) of section 323.152 of the Revised Code shall submit the completed application to the corporation. Not later than October 1, 2007, the corporation shall file all completed applications and the information required by division (B) of section 323.159 of the Revised Code with the county auditor of the county in which the occupants' homesteads are located.

(B) Notwithstanding the deadlines set forth in sections 323.154 and 4503.067 of the Revised Code, if an application requesting the reduction under division (A) of section 323.152 of the Revised Code for tax year 2007 or under section 4503.065 of the Revised Code for tax year 2008 is not approved or the county auditor otherwise determines that the homestead does not qualify for a reduction in taxes, the auditor's deadline to notify the applicant of the reasons for such denial shall be extended to November 1, 2007.

SECTION 803.07. The amendment by this act of sections 5711.01 and 5727.06 of the Revised Code applies to telephone, telegraph, or interexchange telecommunications companies, as defined in section 5727.01 of the Revised Code, for tax year 2007 and thereafter.

SECTION 803.09. The amendment or enactment by this act of section 4505.06, division (B)(23) of section 5739.02, section 5739.029, division (C)

of section 5739.033, and section 5739.213 of the Revised Code apply to sales described in division (A) of section 5739.029 of the Revised Code on or after August 1, 2007.

SECTION 806.03. The sections and items of law contained in this act, and their applications, are severable. If any section or item of law contained in this act, or if any application of any section or item of law contained in this act, is held invalid, the invalidity does not affect other sections or items of law contained in this act and their applications that can be given effect without the invalid section or item of law or application.

SECTION 809.03. An item of law, other than an amending, enacting, or repealing clause, that composes the whole or part of an uncodified section contained in this act has no effect after June 30, 2009, unless its context clearly indicates otherwise.

SECTION 812.03. Except as otherwise specifically provided in this act, the codified sections of law amended or enacted in this act, and the items of law of which the codified sections of law amended or enacted in this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the codified sections of law amended or enacted by this act, and the items of law of which the codified sections of law as amended or enacted by this act 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 codified section of law as amended or enacted by this act, or against any item of law of which any such codified section of law as amended or enacted by this act is composed, the codified section of law as amended or enacted, or item of law, 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 codified 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 codified 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 amendments to section 5111.014 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 January 1, 2008. 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 section.

SECTION 812.12. Uncodified sections of law amended or enacted in this act, and items of law contained within the uncodified sections of law amended or enacted in this act, that are marked with an asterisk are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the uncodified sections and items of law marked with an asterisk 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 uncodified section or item of law marked with an asterisk, the uncodified section or item of law marked with an asterisk, unless rejected at the referendum, takes effect at the earliest time permitted by law.

If the amending and existing repeal clauses commanding the amendment of an uncodified section of law are both marked with asterisks, the uncodified section as amended is deemed also to have been marked with an asterisk.

An asterisk marking an uncodified section or item of law has the form*.

This section defines the meaning and form of, but is not itself to be considered marked with, an asterisk.

SECTION 815.03. The sections of law amended or enacted by this act that are listed in this section, and the items of law of which such sections as amended or enacted by this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, such sections as amended or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, go into immediate effect when this act becomes law.

Sections 117.11, 117.112, 121.51, 122.051, 122.071, 122.076, 122.17, 122.171, 122.174, 122.602, 124.152, 126.16, 126.24, 126.40, 133.061,

173.35, 183.01, 183.021, 183.17, 183.33, 183.34, 183.35, 183.51, 183.52, 709.01, 1503.05, 1713.031, 2305.2341, 2927.023, 3109.04, 3109.041, 3119.022, 3119.023, 3119.05, 3119.29, 3119.30, 3119.302, 3119.32, 3301.0711, 3313.615, 3313.98, 3314.015, 3314.016, 3314.02, 3314.074, 3314.08, 3314.087, 3314.091, 3314.19, 3314.26, 3317.01, 3317.012, 3317.013, 3317.014, 3317.015, 3317.016, 3317.017, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.029, 3317.0216, 3317.0217, 3317.03, 3317.04, 3317.05, 3317.052, 3317.063, 3317.08, 3317.16, 3317.20, 3317.201, 3318.12, 3326.01, 3326.02, 3326.03, 3326.04, 3326.05, 3326.06, 3326.07, 3326.08, 3326.09, 3326.10, 3326.11, 3326.12, 3326.13, 3326.14, 3326.15, 3326.16, 3326.17, 3326.18, 3326.19, 3326.20, 3326.21, 3326.22, 3326.23, 3326.31, 3326.32, 3326.33, 3326.34, 3326.35, 3326.36, 3326.37, 3326.38, 3326.49, 3326.50, 3333.36, 3333.38, 3333.55, 3333.60, 3333.61, 3333.62, 3333.63, 3333.64, 3333.65, 3333.66, 3333.67, 3333.68, 3333.69, 3333.70, 3345.32, 3345.35, 3353.02, 3353.03, 3365.01, 3701.047, 3701.135, 3702.68 (3702.59), 3704.03, 3721.51, 3721.541, 3721.56, 3735.672, 4503.10, 4513.263, 4723.621, 4723.63, 4723.64, 4723.65, 4723.66, 4743.05, 4766.05, 4775.08, 5101.802, 5101.98, 5104.04, 5104.30, 5111.871, 5111.8814, 5112.341, 5123.01, 5123.033, 5123.045, 5123.0414, 5123.0415, 5123.051, 5123.16, 5123.161, 5123.162, 5123.163, 5123.164, 5123.165, 5123.166, 5123.167, 5123.168, 5123.169, 5123.19, 5123.196, 5123.198, 5123.20, 5123.211, 5123.38, 5123.41, 5123.51, 5123.605, 5123.99, 5126.12, 5126.15, 5126.19, 5126.25, 5126.40, 5126.42, 5126.43, 5126.45, 5126.47, 5709.68, 5711.01, 5727.06, 5727.86, 5747.47, 5747.50, 5747.501, 5747.51, 5747.54, 5751.21, 5907.15, 5907.16, and 6111.0381 of the Revised Code.

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.

Sections 183.02, 183.27, 183.32, 5123.16, 5123.182, 5123.199, 5126.053, 5126.431, 5126.44, 5126.451, 5747.61, 5747.62, and 5747.63 of the Revised Code.

The version of section 3702.68 of the Revised Code that was scheduled to take effect July 1, 2007.

SECTION 815.09. The sections of law amended, enacted, or repealed by this act that are listed in this section are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471

of the Revised Code, the sections as amended, enacted, or repealed, and the items of law of which as amended or enacted they are composed, go into effect as specified in this section.

Sections 126.04, 127.16, 173.351, 173.401, 3718.03, 5101.27, 5101.272, 5111.872, 5111.89, 5111.891, 5111.894, 5123.046, 5123.047, 5123.048, 5123.049, 5123.0411, 5123.0416, 5126.054, 5126.056, 5126.059, 5126.0510, 5126.0512, and 5705.44 of the Revised Code take effect July 1, 2007.

Sections 340.03 and 5119.611 of the Revised Code take effect July 1, 2007.

Section 718.03 of the Revised Code takes effect July 1, 2007.

Section 4301.43 of the Revised Code takes effect July 1, 2007.

Sections 5727.45, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code take effect December 1, 2007.

Sections 131.44, 131.51, 5705.29, 5725.24, 5739.032, 5739.122, 5739.124, 5741.121, and 5741.122 of the Revised Code take effect January 1, 2008.

SECTION 815.12. Except as otherwise specifically provided in this act, the uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of law amended or enacted in this act 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 uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of laws amended or enacted in this act are composed, go into immediate effect when this act becomes law.

SECTION 818.03. The amendment or enactment by this act of the sections of law listed in this section provides for or is essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments and enactments, and the items of which they are composed, are not subject to the referendum and go into immediate effect when this act becomes law.

Sections 133.01, 305.31, 307.672, 319.202, 319.54, 322.01, 323.151, 323.152, 323.153, 323.154, 325.31, 718.01, 4503.06, 4503.061, 4503.064, 4503.065, 4503.066, 4503.067, 4505.06, 5733.39, 5739.02, 5739.029, 5739.033, 5739.035, 5739.09, 5739.12, 5739.123, 5739.213, 5740.10, 5741.02, 5741.05, 5743.01, 5743.20, 5743.99, 5745.02, 5745.05, 5745.13, 5747.01, 5748.01, 5748.02, 5748.022, and 5751.23 of the Revised Code.

SECTION 818.09. The repeal by this act of section 5743.331 of the Revised Code provides for or is essential to the implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the repeal is not subject to the referendum and goes into immediate effect when this act becomes law.

SECTION 821.06. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 3317.02 of the Revised Code 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.

(B) The amendment to section 3317.02 of the Revised Code that substitutes the term "state education aid" for the term "SF-3 payment" 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 on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.12. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5111.20 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 the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law.

(B) The amendment to division (H)(3)(a) of section 5111.20 of the Revised Code is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment goes into immediate effect.

SECTION 821.13. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.046 of the Revised Code 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.

(B) The amendments to division (A) and the third paragraph of division (B) of section 5126.046 of the Revised Code 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, 2007.

SECTION 821.15. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.055 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 the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law.

(B) The amendment to section 5126.055 of the Revised Code that strikes through "5123.16" and inserts "5123.161" is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment goes into immediate effect.

SECTION 821.16. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.057 (5126.0511) of the Revised Code 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, 2007.

(B) The amendments to relettered division (A)(2) and (A)(4) of section 5126.057 of the Revised Code 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 821.17. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.18 of the Revised Code 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.

(B) The amendments to division (H) of section 5126.18 of the Revised Code 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, 2007.

SECTION 821.17.10. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5727.84 of the Revised Code 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 December 1, 2007.

(B) The amendments to division (D) of section 5727.84 of the Revised Code 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 immediate effect.

SECTION 821.18. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5727.87 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 to division (A)(2)(b) of section 5727.87 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 on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.21. If the amendment or enactment in this act of a codified or uncodified section of law is subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are subject to the referendum, along with the amendment or enactment. If the amendment or enactment by this act of a codified or uncodified section of law is not subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are not subject to the referendum, the same as the amendment or enactment.

SECTION 824.03. 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. S.B. 185 and Am. Sub. S.B. 238 of the 126th General Assembly.

Section 111.18 of the Revised Code as amended by both Am. Sub. H.B. 94 and Am. Sub. S.B. 74 of the 124th General Assembly.

Section 323.153 of the Revised Code as amended by both Am. H.B. 595 and Am. Sub. H.B. 672 of the 123rd General Assembly.

Section 711.131 of the Revised Code as amended by both Sub. H.B. 231 and Sub. S.B. 115 of the 125th General Assembly.

Section 2921.42 of the Revised Code as amended by both Sub. H.B. 150 and Am. Sub. H.B. 285 of the 120th General Assembly.

Section 3301.0714 of the Revised Code as amended by Am. Sub. H.B. 79, Am. Sub. H.B. 137, Am. Sub. H.B. 276, and Am. Sub. H.B. 530 of the 126th General Assembly.

Section 3313.64 of the Revised Code as amended Am. Sub. H.B. 137, Am. Sub. H.B. 530, Sub. S.B. 164, and Am. Sub. S.B. 238 of the 126th General Assembly.

Section 3317.03 of the Revised Code as amended by both Am. Sub. H.B. 79 and Am. Sub. H.B. 699 of the 126th General Assembly.

Section 3318.01 of the Revised Code as amended by both Am. Sub. H.B. 11 of the 125th General Assembly and Am. Sub. H.B. 16 of the 126th General Assembly.

Section 5107.05 of the Revised Code as amended by Am. Sub. H.B. 283, H.B. 471, and Sub. S.B. 245, all of the 123rd General Assembly, and Am. Sub. H.B. 66 of the 126th General Assembly.

Section 5739.035 of the Revised Code as amended by both Am. Sub. H.B. 66 and Am. Sub. S.B. 26 of the 126th General Assembly.

Section 5741.02 of the Revised Code as amended by both Sub. H.B. 294 and Am. Sub. S.B. 269 of the 126th General Assembly.

Section 5748.01 of the Revised Code as amended by both Sub. H.B. 73 and Am. Sub. H.B. 699 of the 126th General Assembly.

Section 5748.02 of the Revised Code as amended by both Am. Sub. H.B. 3 and Am. Sub. H.B. 530 of the 126th General Assembly.

Am. Sub. H. B. No. 119

1865

The finding in this section takes effect at the same time as the section referenced in the finding takes effect.

Am. Sub. H. B. No. 119

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

Am. Sub. H. B. No. 119

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 _____