

# As Reported by the House Ways and Means Committee

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Senator Widener

Cosponsors: Senators Goodman, Jones, Wagoner, Fedor, Harris, Miller, D.,  
Miller, R., Morano, Turner, Wilson, Strahorn

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## A B I L L

To amend sections 717.25, 1710.01, 1710.02, 1710.06,	1
1710.07, 4928.01, 4928.64, 5709.53, 5713.30,	2
5713.34, 5727.01, 5727.02, 5727.06, 5727.11,	3
5727.111, 5727.15, 5727.30, and 5739.02 and to	4
enact sections 1710.061, 4935.10, and 5727.75 of	5
the Revised Code to exempt qualifying energy	6
facilities from property taxation upon county	7
approval, to require payments in lieu of taxes on	8
the basis of each megawatt of production capacity	9
of such facilities, to expand special improvement	10
district energy improvement projects and the	11
municipal solar energy revolving loan program law	12
to include alternative energy, to address the	13
treatment of energy efficiency savings and	14
reductions in demand regarding certain energy	15
projects, to prohibit the use of the exemption to	16
determine the cost of compliance for the state's	17
alternative energy portfolio standard, to clarify	18
the sales and use tax treatment of related energy	19
conversion equipment purchases, to specify that	20
operators of such facilities are subject to the	21
commercial activity tax, and to require the Public	22

Utilities Commission to study reactive power in 23  
the state. 24

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

**Section 1.** That sections 717.25, 1710.01, 1710.02, 1710.06, 25  
1710.07, 4928.01, 4928.64, 5709.53, 5713.30, 5713.34, 5727.01, 26  
5727.02, 5727.06, 5727.11, 5727.111, 5727.15, 5727.30, and 5739.02 27  
be amended and sections 1710.061, 4935.10, and 5727.75 of the 28  
Revised Code be enacted to read as follows: 29

**Sec. 717.25.** (A) As used in this section: 30

(1) "Customer-generated energy project" means a wind, 31  
biomass, or gasification facility for the generation of 32  
electricity that meets either of the following requirements: 33

(a) The facility is designed to have a generating capacity of 34  
two hundred fifty kilowatts of electricity or less. 35

(b) The facility is: 36

(i) Designed to have a generating capacity of more than two 37  
hundred fifty kilowatts of electricity; 38

(ii) Operated in parallel with electric transmission and 39  
distribution facilities serving the real property at the site of 40  
the customer-generated energy project; 41

(iii) Intended primarily to offset part or all of the 42  
facility owner's requirements for electricity at the site of the 43  
customer-generated energy project and is located on the facility 44  
owner's real property; and 45

(iv) Not producing energy for direct sale by the facility 46  
owner to the public. 47

(2) "Electric distribution utility" and "mercantile customer" 48

have the same meanings as in section 4928.01 of the Revised Code. 49

(3) "Reduction in demand" has the same meaning as in section 1710.01 of the Revised Code. 50  
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(B) The legislative authority of a municipal corporation may establish a low-cost ~~solar panel~~ alternative energy revolving loan program to assist ~~residents of~~ owners of real property within the municipal corporation to install solar panels at their residences. 52  
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~~If~~ with installing and implementing either of the following on their real property: 56  
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(1) Alternative energy technologies limited to solar photovoltaic projects, solar thermal energy projects, geothermal energy projects, and customer-generated energy projects; 58  
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(2) Energy efficiency technologies, products, and activities that reduce or support the reduction of energy consumption, allow for the reduction in demand, or support the production of clean, renewable energy. 61  
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(C) If the legislative authority decides to establish such a program, the legislative authority shall adopt an ordinance that provides for the following: 65  
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~~(A)~~(1) Creation in the municipal treasury of a ~~residential solar panel~~ alternative energy revolving loan fund; 68  
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~~(B)~~(2) A source of money, such as gifts, bond issues, real property assessments, or federal subsidies, to seed the ~~residential solar panel~~ alternative energy revolving loan fund; 70  
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~~(C)~~(3) Facilities for making loans from the ~~residential solar panel~~ alternative energy revolving loan fund, including an explanation of how ~~residents of~~ owners of real property within the municipal corporation may qualify for loans from the fund, a description of the ~~solar panels~~ alternative energy and energy efficiency technologies and related equipment for which a loan can 73  
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be made from the fund, authorization of a municipal agency to 79  
process applications for loans and otherwise to administer the 80  
low-cost ~~solar-panel~~ alternative energy revolving loan program, a 81  
procedure whereby loans can be applied for, criteria for reviewing 82  
and accepting or denying applications for loans, criteria for 83  
determining the appropriate amount of a loan, the interest rate to 84  
be charged, the repayment schedule, and other terms and conditions 85  
of a loan, and procedures for collecting loans that are not repaid 86  
according to the repayment schedule; 87

~~(D)~~(4) A specification that repayments of loans from the 88  
~~residential-solar-panel~~ alternative energy revolving loan fund may 89  
be made in installments and, at the option of the ~~resident~~ real 90  
property owner repaying the loan, the installments may be paid and 91  
collected as if they were special assessments paid and collected 92  
in the manner specified in Chapter 727. of the Revised Code and as 93  
specified in the ordinance; 94

~~(E)~~(5) A specification that repayments of loans from the 95  
~~residential-solar-panel~~ alternative energy revolving loan fund are 96  
to be credited to the fund, that the money in the fund is to be 97  
invested pending its being lent out, and that investment earnings 98  
on the money in the fund ~~is~~ are to be credited to the fund; and 99

~~(F)~~(6) Other matters necessary and proper for efficient 100  
operation of the low-cost ~~solar-panel~~ alternative energy revolving 101  
loan program as a means of encouraging use of ~~renewable~~ 102  
alternative energy and energy efficiency technologies. 103

The interest rate charged on a loan from the ~~residential~~ 104  
~~solar-panel~~ alternative energy revolving loan fund shall be below 105  
prevailing market rates. The legislative authority may specify the 106  
interest rate in the ordinance or may, after establishing a 107  
standard in the ordinance whereby the interest rate can be 108  
specified, delegate authority to specify the interest rate to the 109  
administrator of loans from the ~~residential-solar-panel~~ 110

alternative energy revolving loan fund. 111

The ~~residential solar panel~~ alternative energy revolving loan 112  
fund shall be seeded with sufficient money to enable loans to be 113  
made until the fund accumulates sufficient reserves through 114  
investment and repayment of loans for revolving operation. 115

(D) Except as provided in division (E) of this section, an 116  
electric distribution utility may count toward its compliance with 117  
the energy efficiency and peak demand reduction requirements of 118  
section 4928.66 of the Revised Code any energy efficiency savings 119  
or any reduction in demand that is produced by projects utilizing 120  
alternative energy technologies or energy efficiency technologies, 121  
products, and activities that are located in its certified 122  
territory and for which a loan has been made under this section. 123

(E) A mercantile customer that realizes energy efficiency 124  
savings or reduction in demand produced by alternative energy 125  
technologies or energy efficiency technologies, products, or 126  
activities that it owns and for which a loan has been made under 127  
this section may elect to commit the savings or reduction to the 128  
electric distribution utility in exchange for an exemption from an 129  
energy efficiency cost recovery mechanism permitted under section 130  
4928.66 of the Revised Code, approved by the public utilities 131  
commission. 132

(F) The legislative authority shall submit a quarterly report 133  
to the electric distribution utility that includes, but is not 134  
limited to, both of the following: 135

(1) The number and a description of each new and ongoing 136  
project utilizing alternative energy technologies or energy 137  
efficiency technologies, products, or activities located in the 138  
utility's certified territory that produces energy efficiency 139  
savings or reduction in demand and for which a loan has been made 140  
under this section; 141

(2) Any additional information that the electric distribution 142  
utility needs in order to obtain credit under section 4928.66 of 143  
the Revised Code for energy efficiency savings or reduction in 144  
demand from such projects. 145

**Sec. 1710.01.** As used in this chapter: 146

(A) "Special improvement district" means a special 147  
improvement district organized under this chapter. 148

(B) "Church" means a fellowship of believers, congregation, 149  
society, corporation, convention, or association that is formed 150  
primarily or exclusively for religious purposes and that is not 151  
formed for the private profit of any person. 152

(C) "Church property" means property that is described as 153  
being exempt from taxation under division (A)(2) of section 154  
5709.07 of the Revised Code and that the county auditor has 155  
entered on the exempt list compiled under section 5713.07 of the 156  
Revised Code. 157

(D) "Municipal executive" means the mayor, city manager, or 158  
other chief executive officer of the municipal corporation in 159  
which a special improvement district is located. 160

(E) "Participating political subdivision" means the municipal 161  
corporation or township, or each of the municipal corporations or 162  
townships, that has territory within the boundaries of a special 163  
improvement district created under this chapter. 164

(F) "Legislative authority of a participating political 165  
subdivision" means, with reference to a township, the board of 166  
township trustees. 167

(G) "Public improvement" means the planning, design, 168  
construction, reconstruction, enlargement, or alteration of any 169  
facility or improvement, including the acquisition of land, for 170  
which a special assessment may be levied under Chapter 727. of the 171

Revised Code, and includes any special energy improvement project. 172

(H) "Public service" means any service that can be provided 173  
by a municipal corporation or any service for which a special 174  
assessment may be levied under Chapter 727. of the Revised Code. 175

(I) "Special energy improvement project" means any property, 176  
device, structure, or equipment necessary for the acquisition, 177  
installation, equipping, and improvement of any real or personal 178  
property used for the purpose of creating a solar ~~photo-voltaic~~ 179  
photovoltaic project ~~or~~, a solar thermal energy project, a 180  
geothermal energy project, a customer-generated energy project, or 181  
an energy efficiency improvement, whether such real or personal 182  
property is publicly or privately owned. 183

(J) "Existing qualified nonprofit corporation" means a 184  
nonprofit corporation that existed before the creation of the 185  
corresponding district under this chapter, that is composed of 186  
members located within or adjacent to the district, that has 187  
established a police department under section 1702.80 of the 188  
Revised Code, and that is organized for purposes that include 189  
acquisition of real property within an area specified by its 190  
articles for the subsequent transfer of such property to its 191  
members exclusively for charitable, scientific, literary, or 192  
educational purposes, or holding and maintaining and leasing such 193  
property; planning for and assisting in the development of its 194  
members; providing for the relief of the poor and distressed or 195  
underprivileged in the area and adjacent areas; combating 196  
community deterioration and lessening the burdens of government; 197  
providing or assisting others in providing housing for low- or 198  
moderate-income persons; and assisting its members by the 199  
provision of public safety and security services, parking 200  
facilities, transit service, landscaping, and parks. 201

(K) "Energy efficiency improvement" means energy efficiency 202  
technologies, products, and activities that reduce or support the 203

reduction of energy consumption, allow for the reduction in 204  
demand, or support the production of clean, renewable energy and 205  
that are or will be permanently fixed to real property. 206

(L) "Customer-generated energy project" means a wind, 207  
biomass, or gasification facility for the production of 208  
electricity that meets either of the following requirements: 209

(1) The facility is designed to have a generating capacity of 210  
two hundred fifty kilowatts of electricity or less. 211

(2) The facility is: 212

(a) Designed to have a generating capacity of more than two 213  
hundred fifty kilowatts of electricity; 214

(b) Operated in parallel with electric transmission and 215  
distribution facilities serving the real property at the site of 216  
the customer-generated energy project; 217

(c) Intended primarily to offset part or all of the facility 218  
owner's requirements for electricity at the site of the 219  
customer-generated energy project and is located on the facility 220  
owner's real property; and 221

(d) Not producing energy for direct sale by the facility 222  
owner to the public. 223

(M) "Reduction in demand" means a change in customer behavior 224  
or a change in customer-owned or operated assets that reduces or 225  
has the capability to reduce the demand for electricity as a 226  
result of price signals or other incentives. 227

(N) "Electric distribution utility" and "mercantile customer" 228  
have the same meanings as in section 4928.01 of the Revised Code. 229

**Sec. 1710.02.** (A) A special improvement district may be 230  
created within the boundaries of any one municipal corporation, 231  
any one township, or any combination of contiguous municipal 232



corporations and townships for the purpose of developing and 233  
implementing plans for public improvements and public services 234  
that benefit the district. A district may be created by petition 235  
of the owners of real property within the proposed district, or by 236  
an existing qualified nonprofit corporation. If the district is 237  
created by an existing qualified nonprofit corporation, the 238  
purposes for which the district is created may be supplemental to 239  
the other purposes for which the corporation is organized. All 240  
territory in a special improvement district shall be contiguous; 241  
except that the territory in a special improvement district may be 242  
noncontiguous if at least one special energy improvement project 243  
is designated for each parcel of real property included within the 244  
special improvement district. Additional territory may be added to 245  
a special improvement district created under this chapter for the 246  
purpose of developing and implementing plans for special energy 247  
improvement projects if at least one special energy improvement 248  
project is designated for each parcel of real property included 249  
within such additional territory and the addition of territory is 250  
authorized by the initial plan proposed under division (F) of this 251  
section or a plan adopted by the board of directors of the special 252  
improvement district under section 1710.06 of the Revised Code. 253

The district shall be governed by the board of trustees of a 254  
nonprofit corporation. This board shall be known as the board of 255  
directors of the special improvement district. No special 256  
improvement district shall include any church property, or 257  
property of the federal or state government or a county, township, 258  
or municipal corporation, unless the church or the county, 259  
township, or municipal corporation specifically requests in 260  
writing that the property be included within the district, or 261  
unless the church is a member of the existing qualified nonprofit 262  
corporation creating the district at the time the district is 263  
created. More than one district may be created within a 264  
participating political subdivision, but no real property may be 265

included within more than one district unless the owner of the 266  
property files a written consent with the clerk of the legislative 267  
authority, the township fiscal officer, or the village clerk, as 268  
appropriate. The area of each district shall be contiguous; except 269  
that the area of a special improvement district may be 270  
noncontiguous if all parcels of real property included within such 271  
area contain at least one special energy improvement thereon. 272

(B) Except as provided in division (C) of this section, a 273  
district created under this chapter is not a political 274  
subdivision. A district created under this chapter shall be 275  
considered a public agency under section 102.01 and a public 276  
authority under section 4115.03 of the Revised Code. Each member 277  
of the board of directors of a district, each member's designee or 278  
proxy, and each officer and employee of a district shall be 279  
considered a public official or employee under section 102.01 of 280  
the Revised Code and a public official and public servant under 281  
section 2921.42 of the Revised Code. Districts created under this 282  
chapter are not subject to section 121.251 of the Revised Code. 283  
Districts created under this chapter are subject to sections 284  
121.22 and 121.23 of the Revised Code. 285

(C) Each district created under this chapter shall be 286  
considered a political subdivision for purposes of section 4905.34 287  
of the Revised Code. 288

Membership on the board of directors of the district shall 289  
not be considered as holding a public office. Directors and their 290  
designees shall be entitled to the immunities provided by Chapter 291  
1702. and to the same immunity as an employee under division 292  
(A)(6) of section 2744.03 of the Revised Code, except that 293  
directors and their designees shall not be entitled to the 294  
indemnification provided in section 2744.07 of the Revised Code 295  
unless the director or designee is an employee or official of a 296  
participating political subdivision of the district and is acting 297

within the scope of the director's or designee's employment or 298  
official responsibilities. 299

District officers and district members and directors and 300  
their designees or proxies shall not be required to file a 301  
statement with the Ohio ethics commission under section 102.02 of 302  
the Revised Code. All records of the district shall be treated as 303  
public records under section 149.43 of the Revised Code, except 304  
that records of organizations contracting with a district shall 305  
not be considered to be public records under section 149.43 or 306  
section 149.431 of the Revised Code solely by reason of any 307  
contract with a district. 308

(D) Except as otherwise provided in this section, the 309  
nonprofit corporation that governs a district shall be organized 310  
in the manner described in Chapter 1702. of the Revised Code. 311  
Except in the case of a district created by an existing qualified 312  
nonprofit corporation, the corporation's articles of incorporation 313  
are required to be approved, as provided in division (E) of this 314  
section, by resolution of the legislative authority of each 315  
participating political subdivision of the district. A copy of 316  
that resolution shall be filed along with the articles of 317  
incorporation in the secretary of state's office. 318

In addition to meeting the requirements for articles of 319  
incorporation set forth in Chapter 1702. of the Revised Code, the 320  
articles of incorporation for the nonprofit corporation governing 321  
a district formed under this chapter shall provide all the 322  
following: 323

(1) The name for the district, which shall include the name 324  
of each participating political subdivision of the district; 325

(2) A description of the territory within the district, which 326  
may be all or part of each participating political subdivision. 327  
The description shall be specific enough to enable real property 328

owners to determine if their property is located within the 329  
district. 330

(3) A description of the procedure by which the articles of 331  
incorporation may be amended. The procedure shall include 332  
receiving approval of the amendment, by resolution, from the 333  
legislative authority of each participating political subdivision 334  
and filing the approved amendment and resolution with the 335  
secretary of state. 336

(4) The reasons for creating the district, plus an 337  
explanation of how the district will be conducive to the public 338  
health, safety, peace, convenience, and welfare of the district. 339

(E) The articles of incorporation for a nonprofit corporation 340  
governing a district created under this chapter and amendments to 341  
them shall be submitted to the municipal executive, if any, and 342  
the legislative authority of each municipal corporation or 343  
township in which the proposed district is to be located. Except 344  
in the case of a district created by an existing qualified 345  
nonprofit corporation, the articles or amendments shall be 346  
accompanied by a petition signed either by the owners of at least 347  
sixty per cent of the front footage of all real property located 348  
in the proposed district that abuts upon any street, alley, public 349  
road, place, boulevard, parkway, park entrance, easement, or other 350  
existing public improvement within the proposed district, 351  
excluding church property or property owned by the state, county, 352  
township, municipal, or federal government, unless a church, 353  
county, township, or municipal corporation has specifically 354  
requested in writing that the property be included in the 355  
district, or by the owners of at least seventy-five per cent of 356  
the area of all real property located within the proposed 357  
district, excluding church property or property owned by the 358  
state, county, township, municipal, or federal government, unless 359  
a church, county, township, or municipal corporation has 360

specifically requested in writing that the property be included in 361  
the district. Pursuant to Section 2o of Article VIII, Ohio 362  
Constitution, the petition required under this division may be for 363  
the purpose of developing and implementing plans for special 364  
energy improvement projects, and, in such case, is determined to 365  
be in furtherance of the purposes set forth in Section 2o of 366  
Article VIII, Ohio Constitution. If a special improvement district 367  
is being created under this chapter for the purpose of developing 368  
and implementing plans for special energy improvement projects, 369  
the petition required under this division shall be signed by one 370  
hundred per cent of the owners of the area of all real property 371  
located within the proposed special improvement district, at least 372  
one special energy improvement project shall be designated for 373  
each parcel of real property within the special improvement 374  
district, and the special improvement district may include any 375  
number of parcels of real property as determined by the 376  
legislative authority of each participating political subdivision 377  
in which the proposed special improvement district is to be 378  
located. For purposes of determining compliance with these 379  
requirements, the area of the district, or the front footage and 380  
ownership of property, shall be as shown in the most current 381  
records available at the county recorder's office and the county 382  
engineer's office sixty days prior to the date on which the 383  
petition is filed. 384

Each municipal corporation or township with which the 385  
petition is filed has sixty days to approve or disapprove, by 386  
resolution, the petition, including the articles of incorporation. 387  
In the case of a district created by an existing qualified 388  
nonprofit corporation, each municipal corporation or township has 389  
sixty days to approve or disapprove the creation of the district 390  
after the corporation submits the articles of incorporation or 391  
amendments thereto. This chapter does not prohibit or restrict the 392  
rights of municipal corporations under Article XVIII of the Ohio 393

Constitution or the right of the municipal legislative authority 394  
to impose reasonable conditions in a resolution of approval. The 395  
acquisition, installation, equipping, and improvement of a special 396  
energy improvement project under this chapter shall not supersede 397  
any local zoning, environmental, or similar law or regulation. 398

(F) Persons proposing creation and operation of the district 399  
may propose an initial plan for public services or public 400  
improvements that benefit all or any part of the district. Any 401  
initial plan shall be submitted as part of the petition proposing 402  
creation of the district or, in the case of a district created by 403  
an existing qualified nonprofit corporation, shall be submitted 404  
with the articles of incorporation or amendments thereto. 405

An initial plan may include provisions for the following: 406

(1) Creation and operation of the district and of the 407  
nonprofit corporation to govern the district under this chapter; 408

(2) Hiring employees and professional services; 409

(3) Contracting for insurance; 410

(4) Purchasing or leasing office space and office equipment; 411

(5) Other actions necessary initially to form, operate, or 412  
organize the district and the nonprofit corporation to govern the 413  
district; 414

(6) A plan for public improvements or public services that 415  
benefit all or part of the district, which plan shall comply with 416  
the requirements of division (A) of section 1710.06 of the Revised 417  
Code and may include, but is not limited to, any of the permissive 418  
provisions described in the fourth sentence of that division or 419  
listed in divisions (A)(1) to ~~(6)~~(7) of that section; 420

(7) If the special improvement district is being created 421  
under this chapter for the purpose of developing and implementing 422  
plans for special energy improvement projects, provision for the 423

addition of territory to the special improvement district. 424

After the initial plan is approved by all municipal 425  
corporations and townships to which it is submitted for approval 426  
and the district is created, each participating subdivision shall 427  
levy a special assessment within its boundaries to pay for the 428  
costs of the initial plan. The levy shall be for no more than ten 429  
years from the date of the approval of the initial plan; except 430  
that if the proceeds of the levy are to be used to pay the costs 431  
of a special energy improvement project, the levy of a special 432  
assessment shall be for no more than ~~twenty-five~~ thirty years from 433  
the date of approval of the initial plan. In the event that 434  
additional territory is added to a special improvement district, 435  
the special assessment to be levied with respect to such 436  
additional territory shall commence not earlier than the date such 437  
territory is added and shall be for no more than ~~twenty-five~~ 438  
thirty years from such date. For purposes of levying an assessment 439  
for this initial plan, the services or improvements included in 440  
the initial plan shall be deemed a special benefit to property 441  
owners within the district. 442

(G) Each nonprofit corporation governing a district under 443  
this chapter may do the following: 444

(1) Exercise all powers of nonprofit corporations granted 445  
under Chapter 1702. of the Revised Code that do not conflict with 446  
this chapter; 447

(2) Develop, adopt, revise, implement, and repeal plans for 448  
public improvements and public services for all or any part of the 449  
district; 450

(3) Contract with any person, political subdivision as 451  
defined in section 2744.01 of the Revised Code, or state agency as 452  
defined in section 1.60 of the Revised Code to develop and 453  
implement plans for public improvements or public services within 454

the district; 455

(4) Contract and pay for insurance for the district and for 456  
directors, officers, agents, contractors, employees, or members of 457  
the district for any consequences of the implementation of any 458  
plan adopted by the district or any actions of the district. 459

The board of directors of a special improvement district may, 460  
acting as agent and on behalf of a participating political 461  
subdivision, sell, transfer, lease, or convey any special energy 462  
improvement project owned by the participating political 463  
subdivision upon a determination by the legislative authority 464  
thereof that the project is not required to be owned exclusively 465  
by the participating political subdivision for its purposes, for 466  
uses determined by the legislative authority thereof as those that 467  
will promote the welfare of the people of such participating 468  
political subdivision; to improve the quality of life and the 469  
general and economic well-being of the people of the participating 470  
political subdivision; better ensure the public health, safety, 471  
and welfare; protect water and other natural resources; provide 472  
for the conservation and preservation of natural and open areas 473  
and farmlands, including by making urban areas more desirable or 474  
suitable for development and revitalization; control, prevent, 475  
minimize, clean up, or mediate certain contamination of or 476  
pollution from lands in the state and water contamination or 477  
pollution; or provide for safe and natural areas and resources. 478  
The legislative authority of each participating political 479  
subdivision shall specify the consideration for such sale, 480  
transfer, lease, or conveyance and any other terms thereof. Any 481  
determinations made by a legislative authority of a participating 482  
political subdivision under this division shall be conclusive. 483

Any sale, transfer, lease, or conveyance of a special energy 484  
improvement project by a participating political subdivision or 485  
the board of directors of the special improvement district may be 486



made without advertising, receipt of bids, or other competitive 487  
bidding procedures applicable to the participating political 488  
subdivision or the special improvement district under Chapter 153. 489  
or 735. or section 1710.11 of the Revised Code or other 490  
representative provisions of the Revised Code. 491

**Sec. 1710.06.** (A) The board of directors of a special 492  
improvement district may develop and adopt one or more written 493  
plans for public improvements or public services that benefit all 494  
or any part of the district. Each plan shall set forth the 495  
specific public improvements or public services that are to be 496  
provided, identify the area in which they will be provided, and 497  
specify the method of assessment to be used. Each plan for public 498  
improvements or public services shall indicate the period of time 499  
the assessments are to be levied for the improvements and services 500  
and, if public services are included in the plan, the period of 501  
time the services are to remain in effect. Plans for public 502  
improvements may include the planning, design, construction, 503  
reconstruction, enlargement, or alteration of any public 504  
improvements and the acquisition of land for the improvements. 505  
Plans for public improvements or public services may also include, 506  
but are not limited to, provisions for the following: 507

(1) Creating and operating the district and the nonprofit 508  
corporation under this chapter, including hiring employees and 509  
professional services, contracting for insurance, and purchasing 510  
or leasing office space and office equipment and other 511  
requirements of the district; 512

(2) Planning, designing, and implementing a public 513  
improvements or public services plan, including hiring 514  
architectural, engineering, legal, appraisal, insurance, 515  
consulting, energy auditing, and planning services, and, for 516  
public services, managing, protecting, and maintaining public and 517

private facilities, including public improvements; 518

(3) Conducting court proceedings to carry out this chapter; 519

(4) Paying damages resulting from the provision of public 520  
improvements or public services and implementing the plans; 521

(5) Paying the costs of issuing, paying interest on, and 522  
redeeming notes and bonds issued for funding public improvements 523  
and public services plans; ~~and~~ 524

(6) Sale, lease, lease with an option to purchase, conveyance 525  
of other interests in, or other contracts for the acquisition, 526  
construction, maintenance, repair, furnishing, equipping, 527  
operation, or improvement of any special energy improvement 528  
project by the special improvement district, between a 529  
participating political subdivision and the special improvement 530  
district, and between the special improvement district and any 531  
owner of real property in the special improvement district on 532  
which a special energy improvement project has been acquired, 533  
installed, equipped, or improved; and 534

(7) Aggregating the renewable energy credits generated by one 535  
or more special energy improvement projects within a special 536  
improvement district, upon the consent of the owners of the 537  
credits and for the purpose of negotiating and completing the sale 538  
of such credits. 539

(B) Once the board of directors of the special improvement 540  
district adopts a plan, it shall submit the plan to the 541  
legislative authority of each participating political subdivision 542  
and the municipal executive of each municipal corporation in which 543  
the district is located, if any. The legislative authorities and 544  
municipal executives shall review the plan and, within sixty days 545  
after receiving it, may submit their comments and recommendations 546  
about it to the district. After reviewing these comments and 547  
recommendations, the board of directors may amend the plan. It may 548

then submit the plan, amended or otherwise, in the form of a 549  
petition to members of the district whose property may be assessed 550  
for the plan. Once the petition is signed by those members who own 551  
at least sixty per cent of the front footage of property that is 552  
to be assessed and that abuts upon a street, alley, public road, 553  
place, boulevard, parkway, park entrance, easement, or other 554  
public improvement, or those members who own at least seventy-five 555  
per cent of the area to be assessed for the improvement or 556  
service, the petition may be submitted to each legislative 557  
authority for approval. If the special improvement district was 558  
created for the purpose of developing and implementing plans for 559  
special energy improvement projects, the petition required under 560  
this division shall be signed by one hundred per cent of the 561  
owners of the area of all real property located within the area to 562  
be assessed for the special energy improvement project. 563

Each legislative authority shall, by resolution, approve or 564  
reject the petition within sixty days after receiving it. If the 565  
petition is approved by the legislative authority of each 566  
participating political subdivision, the plan contained in the 567  
petition shall be effective at the earliest date on which a 568  
nonemergency resolution of the legislative authority with the 569  
latest effective date may become effective. A plan may not be 570  
resubmitted to the legislative authorities and municipal 571  
executives more than three times in any twelve-month period. 572

(C) Each participating political subdivision shall levy, by 573  
special assessment upon specially benefited property located 574  
within the district, the costs of any public improvements or 575  
public services plan contained in a petition approved by the 576  
participating political subdivisions under this section or 577  
division (F) of section 1710.02 of the Revised Code. The levy 578  
shall be made in accordance with the procedures set forth in 579  
Chapter 727. of the Revised Code, except that: 580

(1) The assessment for each improvements or services plan may 581  
be levied by any one or any combination of the methods of 582  
assessment listed in section 727.01 of the Revised Code, provided 583  
that the assessment is uniformly applied. 584

(2) For the purpose of levying an assessment, the board of 585  
directors may combine one or more improvements or services plans 586  
or parts of plans and levy a single assessment against specially 587  
benefited property. 588

(3) For purposes of special assessments levied by a township 589  
pursuant to this chapter, references in Chapter 727. of the 590  
Revised Code to the municipal corporation shall be deemed to refer 591  
to the township, and references to the legislative authority of 592  
the municipal corporation shall be deemed to refer to the board of 593  
township trustees. 594

Church property or property owned by a political subdivision, 595  
including any participating political subdivision in which a 596  
special improvement district is located, shall be included in and 597  
be subject to special assessments made pursuant to a plan adopted 598  
under this section or division (F) of section 1710.02 of the 599  
Revised Code, if the church or political subdivision has 600  
specifically requested in writing that its property be included 601  
within the special improvement district and the church or 602  
political subdivision is a member of the district or, in the case 603  
of a district created by an existing qualified nonprofit 604  
corporation, if the church is a member of the corporation. 605

(D) All rights and privileges of property owners who are 606  
assessed under Chapter 727. of the Revised Code shall be granted 607  
to property owners assessed under this chapter, including those 608  
rights and privileges specified in sections 727.15 to 727.17 and 609  
727.18 to 727.22 of the Revised Code and the right to notice of 610  
the resolution of necessity and the filing of the estimated 611  
assessment under section 727.13 of the Revised Code. Property 612

owners assessed for public services under this chapter shall have 613  
the same rights and privileges as property owners assessed for 614  
public improvements under this chapter. 615

Sec. 1710.061. (A) Except as provided in division (B) of this 616  
section, an electric distribution utility may count toward its 617  
compliance with the energy efficiency and peak demand reduction 618  
requirements of section 4928.66 of the Revised Code any efficiency 619  
savings or reduction in demand produced by a special energy 620  
improvement project located in its certified territory. 621

(B) A mercantile customer that realizes energy efficiency 622  
savings or reduction in demand produced by a special energy 623  
improvement project that it owns may elect to commit the savings 624  
or reduction to the electric distribution utility in exchange for 625  
an exemption from an energy efficiency cost recovery mechanism 626  
permitted under section 4928.66 of the Revised Code, approved by 627  
the public utilities commission. 628

(C) The board of directors of a special improvement district 629  
shall submit a quarterly report to the electric distribution 630  
utility that includes, but is not limited to, both of the 631  
following: 632

(1) The total number and a description of each new and 633  
ongoing special energy improvement project located within the 634  
special improvement district that produces energy efficiency 635  
savings or reduction in demand; 636

(2) Any additional information that the electric distribution 637  
utility needs in order to obtain credit under section 4928.66 of 638  
the Revised Code for energy efficiency savings or reduction in 639  
demand from such projects. 640

**Sec. 1710.07.** The cost of any public improvements or public 641  
services plan of a special improvement district may include, but 642

is not limited to, the following: 643

(A) The cost of creating and operating the district under 644  
this chapter, including creating and operating a nonprofit 645  
organization organized under this chapter, hiring employees and 646  
professional services, contracting for insurance, and purchasing 647  
or leasing office space or office equipment; 648

(B) The cost of planning, designing, and implementing the 649  
public improvements or public services plan, including payment of 650  
architectural, engineering, legal, appraisal, insurance, 651  
consulting, energy auditing, and planning fees and expenses, and, 652  
for public services, the management, protection, and maintenance 653  
costs of public or private facilities; 654

(C) Any court costs incurred by the district in implementing 655  
the public improvements or public services plan; 656

(D) Any damages resulting from implementing the public 657  
improvements or public services plan; 658

(E) The costs of issuing, paying interest on, and redeeming 659  
notes and bonds issued for funding the public improvements or 660  
public services plan; and 661

(F) The costs associated with the sale, lease, lease with an 662  
option to purchase, conveyance of other interests in, or other 663  
contracts for the acquisition, construction, maintenance, repair, 664  
furnishing, equipping, operation, or improvement of any special 665  
energy improvement project by the district, between a 666  
participating political subdivision and the special improvement 667  
district, or between the special improvement district and any 668  
owner of real property in the special improvement district on 669  
which a special energy improvement project has been acquired, 670  
installed, equipped, or improved. 671

**Sec. 4928.01.** (A) As used in this chapter: 672

(1) "Ancillary service" means any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply from generation resources and voltage control service; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; real-power loss replacement service; dynamic scheduling; system black start capability; and network stability service.

(2) "Billing and collection agent" means a fully independent agent, not affiliated with or otherwise controlled by an electric utility, electric services company, electric cooperative, or governmental aggregator subject to certification under section 4928.08 of the Revised Code, to the extent that the agent is under contract with such utility, company, cooperative, or aggregator solely to provide billing and collection for retail electric service on behalf of the utility company, cooperative, or aggregator.

(3) "Certified territory" means the certified territory established for an electric supplier under sections 4933.81 to 4933.90 of the Revised Code.

(4) "Competitive retail electric service" means a component of retail electric service that is competitive as provided under division (B) of this section.

(5) "Electric cooperative" means a not-for-profit electric light company that both is or has been financed in whole or in part under the "Rural Electrification Act of 1936," 49 Stat. 1363, 7 U.S.C. 901, and owns or operates facilities in this state to generate, transmit, or distribute electricity, or a not-for-profit successor of such company.

(6) "Electric distribution utility" means an electric utility 705  
that supplies at least retail electric distribution service. 706

(7) "Electric light company" has the same meaning as in 707  
section 4905.03 of the Revised Code and includes an electric 708  
services company, but excludes any self-generator to the extent 709  
that it consumes electricity it so produces, sells that 710  
electricity for resale, or obtains electricity from a generating 711  
facility it hosts on its premises. 712

(8) "Electric load center" has the same meaning as in section 713  
4933.81 of the Revised Code. 714

(9) "Electric services company" means an electric light 715  
company that is engaged on a for-profit or not-for-profit basis in 716  
the business of supplying or arranging for the supply of only a 717  
competitive retail electric service in this state. "Electric 718  
services company" includes a power marketer, power broker, 719  
aggregator, or independent power producer but excludes an electric 720  
cooperative, municipal electric utility, governmental aggregator, 721  
or billing and collection agent. 722

(10) "Electric supplier" has the same meaning as in section 723  
4933.81 of the Revised Code. 724

(11) "Electric utility" means an electric light company that 725  
has a certified territory and is engaged on a for-profit basis 726  
either in the business of supplying a noncompetitive retail 727  
electric service in this state or in the businesses of supplying 728  
both a noncompetitive and a competitive retail electric service in 729  
this state. "Electric utility" excludes a municipal electric 730  
utility or a billing and collection agent. 731

(12) "Firm electric service" means electric service other 732  
than nonfirm electric service. 733

(13) "Governmental aggregator" means a legislative authority 734  
of a municipal corporation, a board of township trustees, or a 735



board of county commissioners acting as an aggregator for the 736  
provision of a competitive retail electric service under authority 737  
conferred under section 4928.20 of the Revised Code. 738

(14) A person acts "knowingly," regardless of the person's 739  
purpose, when the person is aware that the person's conduct will 740  
probably cause a certain result or will probably be of a certain 741  
nature. A person has knowledge of circumstances when the person is 742  
aware that such circumstances probably exist. 743

(15) "Level of funding for low-income customer energy 744  
efficiency programs provided through electric utility rates" means 745  
the level of funds specifically included in an electric utility's 746  
rates on October 5, 1999, pursuant to an order of the public 747  
utilities commission issued under Chapter 4905. or 4909. of the 748  
Revised Code and in effect on October 4, 1999, for the purpose of 749  
improving the energy efficiency of housing for the utility's 750  
low-income customers. The term excludes the level of any such 751  
funds committed to a specific nonprofit organization or 752  
organizations pursuant to a stipulation or contract. 753

(16) "Low-income customer assistance programs" means the 754  
percentage of income payment plan program, the home energy 755  
assistance program, the home weatherization assistance program, 756  
and the targeted energy efficiency and weatherization program. 757

(17) "Market development period" for an electric utility 758  
means the period of time beginning on the starting date of 759  
competitive retail electric service and ending on the applicable 760  
date for that utility as specified in section 4928.40 of the 761  
Revised Code, irrespective of whether the utility applies to 762  
receive transition revenues under this chapter. 763

(18) "Market power" means the ability to impose on customers 764  
a sustained price for a product or service above the price that 765  
would prevail in a competitive market. 766

(19) "Mercantile customer" means a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than seven hundred thousand kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.

(20) "Municipal electric utility" means a municipal corporation that owns or operates facilities to generate, transmit, or distribute electricity.

(21) "Noncompetitive retail electric service" means a component of retail electric service that is noncompetitive as provided under division (B) of this section.

(22) "Nonfirm electric service" means electric service provided pursuant to a schedule filed under section 4905.30 of the Revised Code or pursuant to an arrangement under section 4905.31 of the Revised Code, which schedule or arrangement includes conditions that may require the customer to curtail or interrupt electric usage during nonemergency circumstances upon notification by an electric utility.

(23) "Percentage of income payment plan arrears" means funds eligible for collection through the percentage of income payment plan rider, but uncollected as of July 1, 2000.

(24) "Person" has the same meaning as in section 1.59 of the Revised Code.

(25) "Advanced energy project" means any technologies, products, activities, or management practices or strategies that facilitate the generation or use of electricity or energy and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for industrial, distribution, commercial, institutional, governmental, research, not-for-profit, or residential energy users, including, but not limited to, advanced energy resources and renewable energy

resources. "Advanced energy project" also includes any project 798  
described in division (A), (B), or (C) of section 4928.621 of the 799  
Revised Code. 800

(26) "Regulatory assets" means the unamortized net regulatory 801  
assets that are capitalized or deferred on the regulatory books of 802  
the electric utility, pursuant to an order or practice of the 803  
public utilities commission or pursuant to generally accepted 804  
accounting principles as a result of a prior commission 805  
rate-making decision, and that would otherwise have been charged 806  
to expense as incurred or would not have been capitalized or 807  
otherwise deferred for future regulatory consideration absent 808  
commission action. "Regulatory assets" includes, but is not 809  
limited to, all deferred demand-side management costs; all 810  
deferred percentage of income payment plan arrears; 811  
post-in-service capitalized charges and assets recognized in 812  
connection with statement of financial accounting standards no. 813  
109 (receivables from customers for income taxes); future nuclear 814  
decommissioning costs and fuel disposal costs as those costs have 815  
been determined by the commission in the electric utility's most 816  
recent rate or accounting application proceeding addressing such 817  
costs; the undepreciated costs of safety and radiation control 818  
equipment on nuclear generating plants owned or leased by an 819  
electric utility; and fuel costs currently deferred pursuant to 820  
the terms of one or more settlement agreements approved by the 821  
commission. 822

(27) "Retail electric service" means any service involved in 823  
supplying or arranging for the supply of electricity to ultimate 824  
consumers in this state, from the point of generation to the point 825  
of consumption. For the purposes of this chapter, retail electric 826  
service includes one or more of the following "service 827  
components": generation service, aggregation service, power 828  
marketing service, power brokerage service, transmission service, 829

distribution service, ancillary service, metering service, and 830  
billing and collection service. 831

(28) "Starting date of competitive retail electric service" 832  
means January 1, 2001. 833

(29) "Customer-generator" means a user of a net metering 834  
system. 835

(30) "Net metering" means measuring the difference in an 836  
applicable billing period between the electricity supplied by an 837  
electric service provider and the electricity generated by a 838  
customer-generator that is fed back to the electric service 839  
provider. 840

(31) "Net metering system" means a facility for the 841  
production of electrical energy that does all of the following: 842

(a) Uses as its fuel either solar, wind, biomass, landfill 843  
gas, or hydropower, or uses a microturbine or a fuel cell; 844

(b) Is located on a customer-generator's premises; 845

(c) Operates in parallel with the electric utility's 846  
transmission and distribution facilities; 847

(d) Is intended primarily to offset part or all of the 848  
customer-generator's requirements for electricity. 849

(32) "Self-generator" means an entity in this state that owns 850  
or hosts on its premises an electric generation facility that 851  
produces electricity primarily for the owner's consumption and 852  
that may provide any such excess electricity to another entity, 853  
whether the facility is installed or operated by the owner or by 854  
an agent under a contract. 855

(33) "Rate plan" means the standard service offer in effect 856  
on the effective date of the amendment of this section by S.B. 221 857  
of the 127th general assembly, July 31, 2008. 858

(34) "Advanced energy resource" means any of the following: 859

(a) Any method or any modification or replacement of any property, process, device, structure, or equipment that increases the generation output of an electric generating facility to the extent such efficiency is achieved without additional carbon dioxide emissions by that facility;

(b) Any distributed generation system consisting of customer cogeneration of electricity and thermal output simultaneously, ~~primarily to meet the energy needs of the customer's facilities;~~

(c) Clean coal technology that includes a carbon-based product that is chemically altered before combustion to demonstrate a reduction, as expressed as ash, in emissions of nitrous oxide, mercury, arsenic, chlorine, sulfur dioxide, or sulfur trioxide in accordance with the American society of testing and materials standard D1757A or a reduction of metal oxide emissions in accordance with standard D5142 of that society, or clean coal technology that includes the design capability to control or prevent the emission of carbon dioxide, which design capability the commission shall adopt by rule and shall be based on economically feasible best available technology or, in the absence of a determined best available technology, shall be of the highest level of economically feasible design capability for which there exists generally accepted scientific opinion;

(d) Advanced nuclear energy technology consisting of generation III technology as defined by the nuclear regulatory commission; other, later technology; or significant improvements to existing facilities;

(e) Any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell;

(f) Advanced solid waste or construction and demolition

debris conversion technology, including, but not limited to, 891  
advanced stoker technology, and advanced fluidized bed 892  
gasification technology, that results in measurable greenhouse gas 893  
emissions reductions as calculated pursuant to the United States 894  
environmental protection agency's waste reduction model (WARM). 895

(g) Demand-side management and any energy efficiency 896  
improvement; 897

(h) Methane gas emitted from an operating or abandoned coal 898  
mine. 899

(35) "Renewable energy resource" means solar photovoltaic or 900  
solar thermal energy, wind energy, power produced by a 901  
hydroelectric facility, geothermal energy, fuel derived from solid 902  
wastes, as defined in section 3734.01 of the Revised Code, through 903  
fractionation, biological decomposition, or other process that 904  
does not principally involve combustion, biomass energy, 905  
biologically derived methane gas, or energy derived from 906  
nontreated by-products of the pulping process or wood 907  
manufacturing process, including bark, wood chips, sawdust, and 908  
lignin in spent pulping liquors. "Renewable energy resource" 909  
includes, but is not limited to, any fuel cell used in the 910  
generation of electricity, including, but not limited to, a proton 911  
exchange membrane fuel cell, phosphoric acid fuel cell, molten 912  
carbonate fuel cell, or solid oxide fuel cell; wind turbine 913  
located in the state's territorial waters of Lake Erie; storage 914  
facility that will promote the better utilization of a renewable 915  
energy resource that primarily generates off peak; or distributed 916  
generation system used by a customer to generate electricity from 917  
any such energy. As used in division (A)(35) of this section, 918  
"hydroelectric facility" means a hydroelectric generating facility 919  
that is located at a dam on a river, or on any water discharged to 920  
a river, that is within or bordering this state or within or 921  
bordering an adjoining state and meets all of the following 922

standards: 923

(a) The facility provides for river flows that are not 924  
detrimental for fish, wildlife, and water quality, including 925  
seasonal flow fluctuations as defined by the applicable licensing 926  
agency for the facility. 927

(b) The facility demonstrates that it complies with the water 928  
quality standards of this state, which compliance may consist of 929  
certification under Section 401 of the "Clean Water Act of 1977," 930  
91 Stat. 1598, 1599, 33 U.S.C. 1341, and demonstrates that it has 931  
not contributed to a finding by this state that the river has 932  
impaired water quality under Section 303(d) of the "Clean Water 933  
Act of 1977," 114 Stat. 870, 33 U.S.C. 1313. 934

(c) The facility complies with mandatory prescriptions 935  
regarding fish passage as required by the federal energy 936  
regulatory commission license issued for the project, regarding 937  
fish protection for riverine, anadromous, and ~~catadromus~~ 938  
catadromous fish. 939

(d) The facility complies with the recommendations of the 940  
Ohio environmental protection agency and with the terms of its 941  
federal energy regulatory commission license regarding watershed 942  
protection, mitigation, or enhancement, to the extent of each 943  
agency's respective jurisdiction over the facility. 944

(e) The facility complies with provisions of the "Endangered 945  
Species Act of 1973," 87 Stat. 884, 16 U.S.C. 1531 to 1544, as 946  
amended. 947

(f) The facility does not harm cultural resources of the 948  
area. This can be shown through compliance with the terms of its 949  
federal energy regulatory commission license or, if the facility 950  
is not regulated by that commission, through development of a plan 951  
approved by the Ohio historic preservation office, to the extent 952  
it has jurisdiction over the facility. 953

(g) The facility complies with the terms of its federal 954  
energy regulatory commission license or exemption that are related 955  
to recreational access, accommodation, and facilities or, if the 956  
facility is not regulated by that commission, the facility 957  
complies with similar requirements as are recommended by resource 958  
agencies, to the extent they have jurisdiction over the facility; 959  
and the facility provides access to water to the public without 960  
fee or charge. 961

(h) The facility is not recommended for removal by any 962  
federal agency or agency of any state, to the extent the 963  
particular agency has jurisdiction over the facility. 964

(B) For the purposes of this chapter, a retail electric 965  
service component shall be deemed a competitive retail electric 966  
service if the service component is competitive pursuant to a 967  
declaration by a provision of the Revised Code or pursuant to an 968  
order of the public utilities commission authorized under division 969  
(A) of section 4928.04 of the Revised Code. Otherwise, the service 970  
component shall be deemed a noncompetitive retail electric 971  
service. 972

**Sec. 4928.64.** (A)(1) As used in sections 4928.64 and 4928.65 973  
of the Revised Code, "alternative energy resource" means an 974  
advanced energy resource or renewable energy resource, as defined 975  
in section 4928.01 of the Revised Code that has a 976  
placed-in-service date of January 1, 1998, or after; a renewable 977  
energy resource created on or after January 1, 1998, by the 978  
modification or retrofit of any facility placed in service prior 979  
to January 1, 1998; or a mercantile customer-sited advanced energy 980  
resource or renewable energy resource, whether new or existing, 981  
that the mercantile customer commits for integration into the 982  
electric distribution utility's demand-response, energy 983  
efficiency, or peak demand reduction programs as provided under 984



division (A)(2)(c) of section 4928.66 of the Revised Code, 985  
including, but not limited to, any of the following: 986

(a) A resource that has the effect of improving the 987  
relationship between real and reactive power; 988

(b) A resource that makes efficient use of waste heat or 989  
other thermal capabilities owned or controlled by a mercantile 990  
customer; 991

(c) Storage technology that allows a mercantile customer more 992  
flexibility to modify its demand or load and usage 993  
characteristics; 994

(d) Electric generation equipment owned or controlled by a 995  
mercantile customer that uses an advanced energy resource or 996  
renewable energy resource; 997

(e) Any advanced energy resource or renewable energy resource 998  
of the mercantile customer that can be utilized effectively as 999  
part of any advanced energy resource plan of an electric 1000  
distribution utility and would otherwise qualify as an alternative 1001  
energy resource if it were utilized directly by an electric 1002  
distribution utility. 1003

(2) For the purpose of this section and as it considers 1004  
appropriate, the public utilities commission may classify any new 1005  
technology as such an advanced energy resource or a renewable 1006  
energy resource. 1007

(B) By 2025 and thereafter, an electric distribution utility 1008  
shall provide from alternative energy resources, including, at its 1009  
discretion, alternative energy resources obtained pursuant to an 1010  
electricity supply contract, a portion of the electricity supply 1011  
required for its standard service offer under section 4928.141 of 1012  
the Revised Code, and an electric services company shall provide a 1013  
portion of its electricity supply for retail consumers in this 1014

state from alternative energy resources, including, at its 1015  
discretion, alternative energy resources obtained pursuant to an 1016  
electricity supply contract. That portion shall equal twenty-five 1017  
per cent of the total number of kilowatt hours of electricity sold 1018  
by the subject utility or company to any and all retail electric 1019  
consumers whose electric load centers are served by that utility 1020  
and are located within the utility's certified territory or, in 1021  
the case of an electric services company, are served by the 1022  
company and are located within this state. However, nothing in 1023  
this section precludes a utility or company from providing a 1024  
greater percentage. The baseline for a utility's or company's 1025  
compliance with the alternative energy resource requirements of 1026  
this section shall be the average of such total kilowatt hours it 1027  
sold in the preceding three calendar years, except that the 1028  
commission may reduce a utility's or company's baseline to adjust 1029  
for new economic growth in the utility's certified territory or, 1030  
in the case of an electric services company, in the company's 1031  
service area in this state. 1032

Of the alternative energy resources implemented by the 1033  
subject utility or company by 2025 and thereafter: 1034

(1) Half may be generated from advanced energy resources; 1035

(2) At least half shall be generated from renewable energy 1036  
resources, including one-half per cent from solar energy 1037  
resources, in accordance with the following benchmarks: 1038

By end of year	Renewable energy resources	Solar energy resources	
2009	0.25%	0.004%	1040
2010	0.50%	0.010%	1041
2011	1%	0.030%	1042
2012	1.5%	0.060%	1043
2013	2%	0.090%	1044
2014	2.5%	0.12%	1045

2015	3.5%	0.15%	1046
2016	4.5%	0.18%	1047
2017	5.5%	0.22%	1048
2018	6.5%	0.26%	1049
2019	7.5%	0.3%	1050
2020	8.5%	0.34%	1051
2021	9.5%	0.38%	1052
2022	10.5%	0.42%	1053
2023	11.5%	0.46%	1054
2024 and each calendar year thereafter	12.5%	0.5%	1055

(3) At least one-half of the renewable energy resources 1056  
implemented by the utility or company shall be met through 1057  
facilities located in this state; the remainder shall be met with 1058  
resources that can be shown to be deliverable into this state. 1059

(C)(1) The commission annually shall review an electric 1060  
distribution utility's or electric services company's compliance 1061  
with the most recent applicable benchmark under division (B)(2) of 1062  
this section and, in the course of that review, shall identify any 1063  
undercompliance or noncompliance of the utility or company that it 1064  
determines is weather-related, related to equipment or resource 1065  
shortages for advanced energy or renewable energy resources as 1066  
applicable, or is otherwise outside the utility's or company's 1067  
control. 1068

(2) Subject to the cost cap provisions of division (C)(3) of 1069  
this section, if the commission determines, after notice and 1070  
opportunity for hearing, and based upon its findings in that 1071  
review regarding avoidable undercompliance or noncompliance, but 1072  
subject to division (C)(4) of this section, that the utility or 1073  
company has failed to comply with any such benchmark, the 1074  
commission shall impose a renewable energy compliance payment on 1075  
the utility or company. 1076

(a) The compliance payment pertaining to the solar energy resource benchmarks under division (B)(2) of this section shall be an amount per megawatt hour of undercompliance or noncompliance in the period under review, starting at four hundred fifty dollars for 2009, four hundred dollars for 2010 and 2011, and similarly reduced every two years thereafter through 2024 by fifty dollars, to a minimum of fifty dollars.

(b) The compliance payment pertaining to the renewable energy resource benchmarks under division (B)(2) of this section shall equal the number of additional renewable energy credits that the electric distribution utility or electric services company would have needed to comply with the applicable benchmark in the period under review times an amount that shall begin at forty-five dollars and shall be adjusted annually by the commission to reflect any change in the consumer price index as defined in section 101.27 of the Revised Code, but shall not be less than forty-five dollars.

(c) The compliance payment shall not be passed through by the electric distribution utility or electric services company to consumers. The compliance payment shall be remitted to the commission, for deposit to the credit of the advanced energy fund created under section 4928.61 of the Revised Code. Payment of the compliance payment shall be subject to such collection and enforcement procedures as apply to the collection of a forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the Revised Code.

(3) An electric distribution utility or an electric services company need not comply with a benchmark under division (B)(1) or (2) of this section to the extent that its reasonably expected cost of that compliance exceeds its reasonably expected cost of otherwise producing or acquiring the requisite electricity by three per cent or more. The cost of compliance shall be calculated as though any exemption from taxes and assessments had not been

granted under section 5727.75 of the Revised Code. 1109

(4)(a) An electric distribution utility or electric services 1110  
company may request the commission to make a force majeure 1111  
determination pursuant to this division regarding all or part of 1112  
the utility's or company's compliance with any minimum benchmark 1113  
under division (B)(2) of this section during the period of review 1114  
occurring pursuant to division (C)(2) of this section. The 1115  
commission may require the electric distribution utility or 1116  
electric services company to make solicitations for renewable 1117  
energy resource credits as part of its default service before the 1118  
utility's or company's request of force majeure under this 1119  
division can be made. 1120

(b) Within ninety days after the filing of a request by an 1121  
electric distribution utility or electric services company under 1122  
division (C)(4)(a) of this section, the commission shall determine 1123  
if renewable energy resources are reasonably available in the 1124  
marketplace in sufficient quantities for the utility or company to 1125  
comply with the subject minimum benchmark during the review 1126  
period. In making this determination, the commission shall 1127  
consider whether the electric distribution utility or electric 1128  
services company has made a good faith effort to acquire 1129  
sufficient renewable energy or, as applicable, solar energy 1130  
resources to so comply, including, but not limited to, by banking 1131  
or seeking renewable energy resource credits or by seeking the 1132  
resources through long-term contracts. Additionally, the 1133  
commission shall consider the availability of renewable energy or 1134  
solar energy resources in this state and other jurisdictions in 1135  
the PJM interconnection regional transmission organization or its 1136  
successor and the midwest system operator or its successor. 1137

(c) If, pursuant to division (C)(4)(b) of this section, the 1138  
commission determines that renewable energy or solar energy 1139  
resources are not reasonably available to permit the electric 1140

distribution utility or electric services company to comply, 1141  
during the period of review, with the subject minimum benchmark 1142  
prescribed under division (B)(2) of this section, the commission 1143  
shall modify that compliance obligation of the utility or company 1144  
as it determines appropriate to accommodate the finding. 1145  
Commission modification shall not automatically reduce the 1146  
obligation for the electric distribution utility's or electric 1147  
services company's compliance in subsequent years. If it modifies 1148  
the electric distribution utility or electric services company 1149  
obligation under division (C)(4)(c) of this section, the 1150  
commission may require the utility or company, if sufficient 1151  
renewableenergy resource credits exist in the marketplace, to 1152  
acquire additional renewable energy resource credits in subsequent 1153  
years equivalent to the utility's or company's modified obligation 1154  
under division (C)(4)(c) of this section. 1155

(5) The commission shall establish a process to provide for 1156  
at least an annual review of the alternative energy resource 1157  
market in this state and in the service territories of the 1158  
regional transmission organizations that manage transmission 1159  
systems located in this state. The commission shall use the 1160  
results of this study to identify any needed changes to the amount 1161  
of the renewable energy compliance payment specified under 1162  
divisions (C)(2)(a) and (b) of this section. Specifically, the 1163  
commission may increase the amount to ensure that payment of 1164  
compliance payments is not used to achieve compliance with this 1165  
section in lieu of actually acquiring or realizing energy derived 1166  
from renewable energy resources. However, if the commission finds 1167  
that the amount of the compliance payment should be otherwise 1168  
changed, the commission shall present this finding to the general 1169  
assembly for legislative enactment. 1170

(D)(1) The commission annually shall submit to the general 1171  
assembly in accordance with section 101.68 of the Revised Code a 1172

report describing the compliance of electric distribution 1173  
utilities and electric services companies with division (B) of 1174  
this section and any strategy for utility and company compliance 1175  
or for encouraging the use of alternative energy resources in 1176  
supplying this state's electricity needs in a manner that 1177  
considers available technology, costs, job creation, and economic 1178  
impacts. The commission shall allow and consider public comments 1179  
on the report prior to its submission to the general assembly. 1180  
Nothing in the report shall be binding on any person, including 1181  
any utility or company for the purpose of its compliance with any 1182  
benchmark under division (B) of this section, or the enforcement 1183  
of that provision under division (C) of this section. 1184

(2) The governor, in consultation with the commission 1185  
chairperson, shall appoint an alternative energy advisory 1186  
committee. The committee shall examine available technology for 1187  
and related timetables, goals, and costs of the alternative energy 1188  
resource requirements under division (B) of this section and shall 1189  
submit to the commission a semiannual report of its 1190  
recommendations. 1191

(E) All costs incurred by an electric distribution utility in 1192  
complying with the requirements of this section shall be 1193  
bypassable by any consumer that has exercised choice of supplier 1194  
under section 4928.03 of the Revised Code. 1195

Sec. 4935.10. The public utilities commission shall conduct a 1196  
study to review the condition of reactive power in the state. The 1197  
commission shall issue a report of its findings to the general 1198  
assembly not later than one year after the effective date of this 1199  
section. 1200

**Sec. 5709.53. (A)** A solar, wind, or hydrothermal energy 1201  
system on which construction or installation is completed during 1202

the period from the effective date of this section through 1203  
December 31, 1985, that meets the guidelines established under 1204  
division (B) of section 1551.20 of the Revised Code is exempt from 1205  
real property taxation. 1206

(B) Any fixture or other real property included in an energy 1207  
facility with an aggregate nameplate capacity of two hundred fifty 1208  
kilowatts or less is exempt from taxation if construction or 1209  
installation is completed on or after January 1, 2010. 1210

As used in division (B) of this section, "energy facility" 1211  
and "nameplate capacity" have the same meanings as in section 1212  
5727.01 of the Revised Code. 1213

**Sec. 5713.30.** As used in sections 5713.31 to 5713.37 and 1214  
5715.01 of the Revised Code: 1215

(A) "Land devoted exclusively to agricultural use" means: 1216

(1) Tracts, lots, or parcels of land totaling not less than 1217  
ten acres that, during the three calendar years prior to the year 1218  
in which application is filed under section 5713.31 of the Revised 1219  
Code, and through the last day of May of such year, were devoted 1220  
exclusively to commercial animal or poultry husbandry, 1221  
aquaculture, apiculture, the production for a commercial purpose 1222  
of timber, field crops, tobacco, fruits, vegetables, nursery 1223  
stock, ornamental trees, sod, or flowers, or the growth of timber 1224  
for a noncommercial purpose, if the land on which the timber is 1225  
grown is contiguous to or part of a parcel of land under common 1226  
ownership that is otherwise devoted exclusively to agricultural 1227  
use, or were devoted to and qualified for payments or other 1228  
compensation under a land retirement or conservation program under 1229  
an agreement with an agency of the federal government; 1230

(2) Tracts, lots, or parcels of land totaling less than ten 1231  
acres that, during the three calendar years prior to the year in 1232



which application is filed under section 5713.31 of the Revised 1233  
Code and through the last day of May of such year, were devoted 1234  
exclusively to commercial animal or poultry husbandry, 1235  
aquaculture, apiculture, the production for a commercial purpose 1236  
of field crops, tobacco, fruits, vegetables, timber, nursery 1237  
stock, ornamental trees, sod, or flowers where such activities 1238  
produced an average yearly gross income of at least twenty-five 1239  
hundred dollars during such three-year period or where there is 1240  
evidence of an anticipated gross income of such amount from such 1241  
activities during the tax year in which application is made, or 1242  
were devoted to and qualified for payments or other compensation 1243  
under a land retirement or conservation program under an agreement 1244  
with an agency of the federal government; 1245

(3) A tract, lot, or parcel of land taxed under sections 1246  
5713.22 to 5713.26 of the Revised Code is not land devoted 1247  
exclusively to agricultural use; 1248

(4) Tracts, lots, or parcels of land, or portions thereof 1249  
that, during the previous three consecutive calendar years have 1250  
been designated as land devoted exclusively to agricultural use, 1251  
but such land has been lying idle or fallow for up to one year and 1252  
no action has occurred to such land that is either inconsistent 1253  
with the return of it to agricultural production or converts the 1254  
land devoted exclusively to agricultural use as defined in this 1255  
section. Such land shall remain designated as land devoted 1256  
exclusively to agricultural use provided that beyond one year, but 1257  
less than three years, the landowner proves good cause as 1258  
determined by the board of revision. 1259

"Land devoted exclusively to agricultural use" includes 1260  
tracts, lots, or parcels of land or portions thereof that are used 1261  
for conservation practices, provided that the tracts, lots, or 1262  
parcels of land or portions thereof comprise twenty-five per cent 1263  
or less of the total of the tracts, lots, or parcels of land that 1264

satisfy the criteria established in division (A)(1), (2), or (4) 1265  
of this section together with the tracts, lots, or parcels of land 1266  
or portions thereof that are used for conservation practices. 1267

(B) "Conversion of land devoted exclusively to agricultural 1268  
use" means any of the following: 1269

(1) The failure of the owner of land devoted exclusively to 1270  
agricultural use during the next preceding calendar year to file a 1271  
renewal application under section 5713.31 of the Revised Code 1272  
without good cause as determined by the board of revision; 1273

(2) The failure of the new owner of such land to file an 1274  
initial application under that section without good cause as 1275  
determined by the board of revision; 1276

(3) The failure of such land or portion thereof to qualify as 1277  
land devoted exclusively to agricultural use for the current 1278  
calendar year as requested by an application filed under such 1279  
section; 1280

(4) The failure of the owner of the land described in 1281  
division (A)(4) of this section to act on such land in a manner 1282  
that is consistent with the return of the land to agricultural 1283  
production after three years. 1284

The construction or installation of an energy facility, as 1285  
defined in section 5727.01 of the Revised Code, on a portion of a 1286  
tract, lot, or parcel of land devoted exclusively to agricultural 1287  
use shall not cause the remaining portion of the tract, lot, or 1288  
parcel to be regarded as a conversion of land devoted exclusively 1289  
to agricultural use if the remaining portion of the tract, lot, or 1290  
parcel continues to be devoted exclusively to agricultural use. 1291

(C) "Tax savings" means the difference between the dollar 1292  
amount of real property taxes levied in any year on land valued 1293  
and assessed in accordance with its current agricultural use value 1294  
and the dollar amount of real property taxes that would have been 1295

levied upon such land if it had been valued and assessed for such 1296  
year in accordance with Section 2 of Article XII, Ohio 1297  
Constitution. 1298

(D) "Owner" includes, but is not limited to, any person 1299  
owning a fee simple, fee tail, or life estate or a buyer on a land 1300  
installment contract. 1301

(E) "Conservation practices" are practices used to abate soil 1302  
erosion as required in the management of the farming operation, 1303  
and include, but are not limited to, the installation, 1304  
construction, development, planting, or use of grass waterways, 1305  
terraces, diversions, filter strips, field borders, windbreaks, 1306  
riparian buffers, wetlands, ponds, and cover crops for that 1307  
purpose. 1308

(F) "Wetlands" has the same meaning as in section 6111.02 of 1309  
the Revised Code. 1310

**Sec. 5713.34.** (A)(1) Upon the conversion of all or any 1311  
portion of a tract, lot, or parcel of land devoted exclusively to 1312  
agricultural use a portion of the tax savings upon such converted 1313  
land shall be recouped as provided for by Section 36, Article II, 1314  
Ohio Constitution by levying a charge on such land in an amount 1315  
equal to the amount of the tax savings on the converted land 1316  
during the three tax years immediately preceding the year in which 1317  
the conversion occurs. The charge shall constitute a lien of the 1318  
state upon such converted land as of the first day of January of 1319  
the tax year in which the charge is levied and shall continue 1320  
until discharged as provided by law. 1321

(2) Upon the conversion of an adequately described portion of 1322  
a tract, lot, or parcel of land, the county auditor shall divide 1323  
any numbered permanent parcel into economic units and value each 1324  
unit individually for the purpose of levying the charge under 1325  
division (A)(1) of this section against only the converted 1326

portion. 1327

(3) A charge shall not be levied under this section for the 1328  
conversion of a portion of a tract, lot, or parcel of land devoted 1329  
exclusively to agricultural use if the conversion is incident to 1330  
the construction or installation of an energy facility, as defined 1331  
in section 5727.01 of the Revised Code, and if the remaining 1332  
portion of the tract, lot, or parcel continues to be devoted 1333  
exclusively to agricultural use. 1334

(B) Except as otherwise provided in division (C) or (D) of 1335  
this section, a public entity that acquires by any means and 1336  
converts land devoted exclusively to agricultural use and a 1337  
private entity granted the power of eminent domain that acquires 1338  
by any means and converts land devoted exclusively to agricultural 1339  
use shall pay the charge levied by division (A) of this section 1340  
and shall not, directly or indirectly, transfer the charge to the 1341  
person from whom the land is acquired. A person injured by a 1342  
violation of this division may recover, in a civil action, any 1343  
damages resulting from the violation. 1344

(C) The charge levied by division (A)(1) of this section does 1345  
not apply to the conversion of land acquired by a public entity by 1346  
means other than eminent domain and thereafter used exclusively 1347  
for a public purpose that leaves the land principally undeveloped 1348  
when either of the following conditions applies: 1349

(1) In the case of land so acquired and converted by a park 1350  
district created under Chapter 1545. of the Revised Code, the land 1351  
is located within the boundaries of the park district. 1352

(2) In the case of land so acquired and converted by a public 1353  
entity other than a park district created under Chapter 1545. of 1354  
the Revised Code, the land is located within the boundaries of any 1355  
city, local, exempted village, or joint vocational school district 1356  
that is wholly or partially located within the boundaries of the 1357

public entity that so acquired and converted the land. 1358

If all or any portion of a tract, lot, or parcel of such land 1359  
is later developed or otherwise converted to a purpose other than 1360  
one of the purposes enumerated under division (E)(1) of this 1361  
section, the charge levied by division (A)(1) of this section 1362  
shall be levied against such developed or converted land as 1363  
otherwise required by that division. 1364

The county auditor of the county in which the land is located 1365  
shall determine annually whether all or any portion of a tract, 1366  
lot, or parcel of land formerly converted to a purpose enumerated 1367  
under division (E)(1) of this section has been developed in such a 1368  
way or converted to such a purpose as to require the charge levied 1369  
by division (A)(1) of this section to be levied against the land 1370  
so developed or converted. 1371

(D) Division (B) of this section does not apply to a public 1372  
entity that acquires by means other than eminent domain and 1373  
converts land devoted exclusively to agricultural use to use for 1374  
public, active or passive, outdoor education, recreation, or 1375  
similar open space uses when either of the following conditions 1376  
applies: 1377

(1) In the case of land so acquired and converted by a park 1378  
district created under Chapter 1545. of the Revised Code, the land 1379  
is located outside the boundaries of the park district. 1380

(2) In the case of land so acquired and converted by a public 1381  
entity other than a park district created under Chapter 1545. of 1382  
the Revised Code, the land is located outside the boundaries of 1383  
any city, local, exempted village, or joint vocational school 1384  
district that is wholly or partially located within the boundaries 1385  
of the public entity that so acquired and converted the land. 1386

(E) As used in divisions (C) and (D) of this section: 1387

(1) "Principally undeveloped" means a parcel of real property 1388

that is used for public, active or passive, outdoor education, 1389  
recreation, or similar open space uses and contains only the 1390  
structures, roadways, and other facilities that are necessary for 1391  
such uses. 1392

(2) "Public entity" means any political subdivision of this 1393  
state or any agency or instrumentality of a political subdivision. 1394

**Sec. 5727.01.** As used in this chapter: 1395

(A) "Public utility" means each person referred to as a 1396  
telephone company, telegraph company, electric company, natural 1397  
gas company, pipe-line company, water-works company, water 1398  
transportation company, heating company, rural electric company, 1399  
railroad company, ~~or~~ combined company, or energy company. 1400

(B) "Gross receipts" means the entire receipts for business 1401  
done by any person from operations as a public utility, or 1402  
incidental thereto, or in connection therewith, including any 1403  
receipts received under Chapter 4928. of the Revised Code. The 1404  
gross receipts for business done by an incorporated company 1405  
engaged in operation as a public utility includes the entire 1406  
receipts for business done by such company under the exercise of 1407  
its corporate powers, whether from the operation as a public 1408  
utility or from any other business. 1409

(C) "Rural electric company" means any nonprofit corporation, 1410  
organization, association, or cooperative engaged in the business 1411  
of supplying electricity to its members or persons owning an 1412  
interest therein in an area the major portion of which is rural. 1413  
"Rural electric company" excludes an energy company. 1414

(D) Any person: 1415

(1) Is a telegraph company when engaged in the business of 1416  
transmitting telegraphic messages to, from, through, or in this 1417  
state; 1418

(2) Is a telephone company when primarily engaged in the 1419  
business of providing local exchange telephone service, excluding 1420  
cellular radio service, in this state; 1421

(3) Is an electric company when engaged in the business of 1422  
generating, transmitting, or distributing electricity within this 1423  
state for use by others, but excludes a rural electric company or 1424  
an energy company; 1425

(4) Is a natural gas company when engaged in the business of 1426  
supplying or distributing natural gas for lighting, power, or 1427  
heating purposes to consumers within this state, excluding a 1428  
person that is a governmental aggregator or retail natural gas 1429  
supplier as defined in section 4929.01 of the Revised Code; 1430

(5) Is a pipe-line company when engaged in the business of 1431  
transporting natural gas, oil, or coal or its derivatives through 1432  
pipes or tubing, either wholly or partially within this state; 1433

(6) Is a water-works company when engaged in the business of 1434  
supplying water through pipes or tubing, or in a similar manner, 1435  
to consumers within this state; 1436

(7) Is a water transportation company when engaged in the 1437  
transportation of passengers or property, by boat or other 1438  
watercraft, over any waterway, whether natural or artificial, from 1439  
one point within this state to another point within this state, or 1440  
between points within this state and points without this state; 1441

(8) Is a heating company when engaged in the business of 1442  
supplying water, steam, or air through pipes or tubing to 1443  
consumers within this state for heating purposes; 1444

(9) Is a railroad company when engaged in the business of 1445  
owning or operating a railroad either wholly or partially within 1446  
this state on rights-of-way acquired and held exclusively by such 1447  
company, or otherwise, and includes a passenger, street, suburban, 1448  
or interurban railroad company; 1449

(10) Is an energy company when engaged in the business of 1450  
generating, transmitting, or distributing electricity within this 1451  
state for use by others solely from an energy facility with an 1452  
aggregate nameplate capacity in excess of two hundred fifty 1453  
kilowatts. 1454

As used in division (D)(2) of this section, "local exchange 1455  
telephone service" means making available or furnishing access and 1456  
a dial tone to all persons within a local calling area for use in 1457  
originating and receiving voice grade communications over a 1458  
switched network operated by the provider of the service within 1459  
the area and for gaining access to other telecommunication 1460  
services. 1461

(E) "Taxable property" means the property required by section 1462  
5727.06 of the Revised Code to be assessed by the tax 1463  
commissioner, but does not include either of the following: 1464

(1) An item of tangible personal property that for the period 1465  
subsequent to the effective date of an air, water, or noise 1466  
pollution control certificate and continuing so long as the 1467  
certificate is in force, has been certified as part of the 1468  
pollution control facility with respect to which the certificate 1469  
has been issued; 1470

(2) An item of tangible personal property that during the 1471  
construction of a plant or facility and until the item is first 1472  
capable of operation, whether actually used in operation or not, 1473  
is incorporated in or being held exclusively for incorporation in 1474  
that plant or facility. 1475

Notwithstanding section 5701.03 of the Revised Code, for tax 1476  
year 2006 and thereafter, "taxable property" includes patterns, 1477  
jigs, dies, and drawings of an electric company or a combined 1478  
company for use in the activity of an electric company. 1479

(F) "Taxing district" means a municipal corporation ~~of~~ or 1480



township, or part thereof, in which the aggregate rate of taxation 1481  
is uniform. 1482

(G) "Telecommunications service" has the same meaning as in 1483  
division (AA) of section 5739.01 of the Revised Code. 1484

(H) "Interexchange telecommunications company" means a person 1485  
that is engaged in the business of transmitting telephonic 1486  
messages to, from, through, or in this state, but that is not a 1487  
telephone company. 1488

(I) "Sale and leaseback transaction" means a transaction in 1489  
which a public utility or interexchange telecommunications company 1490  
sells any tangible personal property to a person other than a 1491  
public utility or interexchange telecommunications company and 1492  
leases that property back from the buyer. 1493

(J) "Production equipment" means all taxable steam, nuclear, 1494  
hydraulic, renewable resource, clean coal technology, and other 1495  
production plant equipment used to generate electricity. For tax 1496  
years prior to 2001, "production equipment" includes taxable 1497  
station equipment that is located at a production plant. 1498

(K) "Tax year" means the year for which property or gross 1499  
receipts are subject to assessment under this chapter. This 1500  
division does not limit the tax commissioner's ability to assess 1501  
and value property or gross receipts outside the tax year. 1502

(L) "Combined company" means any person engaged in the 1503  
activity of an electric company or rural electric company that is 1504  
also engaged in the activity of a heating company or a natural gas 1505  
company, or any combination thereof. 1506

(M) "Public utility property lessor" means any person, other 1507  
than a public utility or an interexchange telecommunications 1508  
company, that leases personal property, other than in a sale and 1509  
leaseback transaction, to a public utility, other than a railroad, 1510  
water transportation, telephone, or telegraph company if the 1511

property would be taxable property if owned by the public utility. 1512  
A public utility property lessor is subject to this chapter only 1513  
for the purposes of reporting and paying tax on taxable property 1514  
it leases to a public utility other than a telephone or telegraph 1515  
company. A public utility property lessor that leases property to 1516  
a public utility other than a telephone or telegraph company is 1517  
not a public utility, but it shall report its property and be 1518  
assessed in the same manner as the utility to which it leases the 1519  
property. 1520

(N) "Energy resource" means any of the following: 1521

(1) "Renewable energy resource" as defined in section 4928.01 1522  
of the Revised Code; 1523

(2) "Clean coal technology" as described in division 1524  
(A)(34)(c) of section 4928.01 of the Revised Code; 1525

(3) "Advanced nuclear technology" as described in division 1526  
(A)(34)(d) of section 4928.01 of the Revised Code; 1527

(4) "Cogeneration technology" as described in division 1528  
(A)(34)(b) of section 4928.01 of the Revised Code. 1529

(O) "Energy conversion equipment" means tangible personal 1530  
property connected to a wind turbine tower, connected to and 1531  
behind solar radiation collector areas and designed to convert the 1532  
radiant energy of the sun into electricity or heat, or connected 1533  
to any other property used to generate electricity from an energy 1534  
resource, through which electricity is transferred to controls, 1535  
transformers, or power electronics and to the transmission 1536  
interconnection point. 1537

"Energy conversion equipment" includes, but is not limited 1538  
to, inverters, batteries, switch gears, wiring, collection lines, 1539  
substations, ancillary tangible personal property, or any lines 1540  
and associated tangible personal property located between 1541  
substations and the transmission interconnection point. 1542

(P) "Energy facility" means one or more interconnected wind 1543  
turbines, solar panels, or other tangible personal property used 1544  
to generate electricity from an energy resource owned by the same 1545  
person, including: 1546

(1) All interconnection equipment, devices, and related 1547  
apparatus connected to such tangible personal property; 1548

(2) All cables, equipment, devices, and related apparatus 1549  
that connect the generators to an electricity grid or to a 1550  
building or facility that directly consumes the electricity 1551  
produced, that facilitate the transmission of electrical energy 1552  
from the generators to the grid, building, or facility, and, where 1553  
applicable, that transform voltage before ultimate delivery of 1554  
electricity to the grid, building, or facility. 1555

"Energy facility" includes buildings, structures, 1556  
improvements, or fixtures exclusively used to house, support, or 1557  
stabilize tangible personal property constituting the facility or 1558  
that are otherwise necessary for the operation of that property; 1559  
and so much of the land on which such tangible personal property 1560  
is situated as is required for operation of the facility and is 1561  
not devoted to some other use, not to exceed, in the case of wind 1562  
turbines, one-half acre for each wind turbine, and regardless of 1563  
whether the land is owned by the owner or lessee of the tangible 1564  
personal property or by another person. 1565

(O) "Nameplate capacity" means the original interconnected 1566  
maximum rated alternating current output of a generator or other 1567  
electric production equipment under specific conditions designated 1568  
by the manufacturer, expressed in the number of kilowatts or 1569  
megawatts. 1570

**Sec. 5727.02.** As used in this chapter, "public utility," 1571  
"electric company," "natural gas company," "pipe-line company," 1572  
"water-works company," "water transportation company" or "heating 1573

company" does not include any of the following: 1574

(A)(1) Except as provided in division (A)(2) of this section, 1575  
any person that is engaged in some other primary business to which 1576  
the supplying of electricity, heat, natural gas, water, water 1577  
transportation, steam, or air to others is incidental. ~~As used in~~ 1578  
~~division (A) of this section and in section 5727.031 of the~~ 1579  
~~Revised Code, "supplying of electricity" means generating,~~ 1580  
~~transmitting, or distributing electricity.~~ 1581

(2) For tax year 2009 and each tax year thereafter, a person 1582  
that is engaged in some other primary business to which the 1583  
supplying of electricity to others is incidental shall be treated 1584  
as an "electric company" and a "public utility" for purposes of 1585  
this chapter solely to the extent required by section 5727.031 of 1586  
the Revised Code. 1587

(3) For purposes of division (A) of this section and section 1588  
5727.031 of the Revised Code: 1589

(a) "Supplying of electricity" means generating, 1590  
transmitting, or distributing electricity. 1591

(b) A person that leases to others energy facilities with an 1592  
aggregate nameplate capacity in this state of two hundred fifty 1593  
kilowatts or less per lease is not supplying electricity to 1594  
others. 1595

(c) A person that owns, or leases from another person, energy 1596  
facilities with an aggregate nameplate capacity in this state of 1597  
two hundred fifty kilowatts or less is not supplying electricity 1598  
to others, regardless of whether the owner or lessee engages in 1599  
net metering as defined in section 4928.01 of the Revised Code. 1600

(d) A political subdivision of this state that owns an energy 1601  
facility is not supplying electricity to others regardless of the 1602  
nameplate capacity of the facility if the primary purpose of the 1603  
facility is to supply electricity for the political subdivision's 1604

own use. As used in this division, "political subdivision" means a 1605  
county, township, municipal corporation, or any other body 1606  
corporate and politic that is responsible for government 1607  
activities in a geographic area smaller than that of the state. 1608

(B) Any person that supplies electricity, natural gas, water, 1609  
water transportation, steam, or air to its tenants, whether for a 1610  
separate charge or otherwise; 1611

(C) Any person whose primary business in this state consists 1612  
of producing, refining, or marketing petroleum or its products. 1613

(D) Any person whose primary business in this state consists 1614  
of producing or gathering natural gas rather than supplying or 1615  
distributing natural gas to consumers. 1616

**Sec. 5727.06.** (A) Except as otherwise provided by law, the 1617  
following constitutes the taxable property of a public utility, 1618  
interexchange telecommunications company, or public utility 1619  
property lessor that shall be assessed by the tax commissioner: 1620

(1) For tax years before tax year 2006: 1621

(a) In the case of a railroad company, all real property and 1622  
tangible personal property owned or operated by the railroad 1623  
company in this state on the thirty-first day of December of the 1624  
preceding year; 1625

(b) In the case of a water transportation company, all 1626  
tangible personal property, except watercraft, owned or operated 1627  
by the water transportation company in this state on the 1628  
thirty-first day of December of the preceding year and all 1629  
watercraft owned or operated by the water transportation company 1630  
in this state during the preceding calendar year; 1631

(c) In the case of all other public utilities and 1632  
interexchange telecommunications companies, all tangible personal 1633  
property that on the thirty-first day of December of the preceding 1634

year was both located in this state and: 1635

(i) Owned by the public utility or interexchange 1636  
telecommunications company; or 1637

(ii) Leased by the public utility or interexchange 1638  
telecommunications company under a sale and leaseback transaction. 1639

(2) For tax years 2006, 2007, and 2008: 1640

(a) In the case of a railroad company, all real property used 1641  
in railroad operations and tangible personal property owned or 1642  
operated by the railroad company in this state on the thirty-first 1643  
day of December of the preceding year; 1644

(b) In the case of a water transportation company, all 1645  
tangible personal property, except watercraft, owned or operated 1646  
by the water transportation company in this state on the 1647  
thirty-first day of December of the preceding year and all 1648  
watercraft owned or operated by the water transportation company 1649  
in this state during the preceding calendar year; 1650

(c) In the case of all other public utilities except 1651  
telephone and telegraph companies, all tangible personal property 1652  
that on the thirty-first day of December of the preceding year was 1653  
both located in this state and either owned by the public utility 1654  
or leased by the public utility under a sale and leaseback 1655  
transaction. 1656

(3) For tax year 2009 and each tax year thereafter: 1657

(a) In the case of a railroad company, all real property used 1658  
in railroad operations and tangible personal property owned or 1659  
operated by the railroad company in this state on the thirty-first 1660  
day of December of the preceding year; 1661

(b) In the case of a water transportation company, all 1662  
tangible personal property, except watercraft, owned or operated 1663  
by the water transportation company in this state on the 1664

thirty-first day of December of the preceding year and all 1665  
watercraft owned or operated by the water transportation company 1666  
in this state during the preceding calendar year; 1667

(c) In the case of all other public utilities except 1668  
telephone and telegraph companies, all tangible personal property 1669  
that on the thirty-first day of December of the preceding year was 1670  
both located in this state and either owned by the public utility 1671  
or leased by the public utility under a sale and leaseback 1672  
transaction, and that is not exempted from taxation under section 1673  
5727.75 of the Revised Code; 1674

(d) In the case of a public utility property lessor, all 1675  
personal property that on the thirty-first day of December of the 1676  
preceding year was both located in this state and leased, in other 1677  
than a sale and leaseback transaction, to a public utility other 1678  
than a railroad, telephone, telegraph, or water transportation 1679  
company. The assessment rate used under section 5727.111 of the 1680  
Revised Code shall be based on the assessment rate that would 1681  
apply if the public utility owned the property, and that is not 1682  
exempted from taxation under section 5727.75 of the Revised Code. 1683

(4) For tax years 2005 and 2006, in the case of telephone, 1684  
telegraph, or interexchange telecommunications companies, all 1685  
tangible personal property that on the thirty-first day of 1686  
December of the preceding year was both located in this state and 1687  
either owned by the telephone, telegraph, or interexchange 1688  
telecommunications company or leased by the telephone, telegraph, 1689  
or interexchange telecommunications company under a sale and 1690  
leaseback transaction. 1691

(5)(a) For tax year 2007 and thereafter, in the case of 1692  
telephone, telegraph, or interexchange telecommunications 1693  
companies, all tangible personal property shall be listed and 1694  
assessed for taxation under Chapter 5711. of the Revised Code, but 1695  
the tangible personal property shall be valued in accordance with 1696

this chapter using the composite annual allowances and other 1697  
valuation procedures prescribed under section 5727.11 of the 1698  
Revised Code by the tax commissioner for such property for tax 1699  
year 2006, notwithstanding any section of Chapter 5711. of the 1700  
Revised Code to the contrary. 1701

(b) A telephone, telegraph, or interexchange 1702  
telecommunications company subject to division (A)(5)(a) of this 1703  
section shall file a combined return with the tax commissioner in 1704  
accordance with section 5711.13 of the Revised Code even if the 1705  
company has tangible personal property in only one county. Such a 1706  
company also is subject to the issuance of a preliminary 1707  
assessment certificate by the tax commissioner under section 1708  
5711.25 of the Revised Code. Such a company is not required to 1709  
file a county supplemental return under section 5711.131 of the 1710  
Revised Code. 1711

(6) In the case of an energy company, for tax year 2011 and 1712  
each tax year thereafter, all tangible personal property that on 1713  
the thirty-first day of December of the preceding year was both 1714  
located in this state and either owned by the company or leased by 1715  
the company under a sale and leaseback transaction, and that is 1716  
not exempted from taxation under section 5727.75 of the Revised 1717  
Code. 1718

(B) This division applies to tax years before tax year 2007. 1719

In the case of an interexchange telecommunications company, 1720  
all taxable property shall be subject to the provisions of this 1721  
chapter and shall be valued by the commissioner in accordance with 1722  
division (A) of section 5727.11 of the Revised Code. A person 1723  
described by this division shall file the report required by 1724  
section 5727.08 of the Revised Code. Persons described in this 1725  
division shall not be considered taxpayers, as defined in division 1726  
(B) of section 5711.01 of the Revised Code, and shall not be 1727  
required to file a return and list their taxable property under 1728



any provision of Chapter 5711. of the Revised Code. 1729

(C) The lien of the state for taxes levied each year on the 1730  
real and personal property of public utilities and interexchange 1731  
telecommunications companies and on the personal property of 1732  
public utility property lessors shall attach thereto on the 1733  
thirty-first day of December of the preceding year. 1734

(D) Property that is required by division (A)(3)(b) of this 1735  
section to be assessed by the tax commissioner under this chapter 1736  
shall not be listed by the owner of the property under Chapter 1737  
5711. of the Revised Code. 1738

(E) The ten-thousand-dollar exemption provided for in 1739  
division (C)(3) of section 5709.01 of the Revised Code does not 1740  
apply to any personal property that is valued under this chapter. 1741

(F) The tax commissioner may adopt rules governing the 1742  
listing of the taxable property of public utilities and 1743  
interexchange telecommunications companies and the determination 1744  
of true value. 1745

**Sec. 5727.11.** (A) Except as otherwise provided in this 1746  
section, the true value of all taxable property, except property 1747  
of a railroad company, required by section 5727.06 of the Revised 1748  
Code to be assessed by the tax commissioner shall be determined by 1749  
a method of valuation using cost as capitalized on the public 1750  
utility's books and records less composite annual allowances as 1751  
prescribed by the commissioner. If the commissioner finds that 1752  
application of this method will not result in the determination of 1753  
true value of the public utility's taxable property, the 1754  
commissioner may use another method of valuation. 1755

(B)(1) Except as provided in division (B)(2) of this section, 1756  
the true value of current gas stored underground is the cost of 1757  
that gas shown on the books and records of the public utility on 1758

the thirty-first day of December of the preceding year. 1759

(2) For tax year 2001 and thereafter, the true value of 1760  
current gas stored underground is the quotient obtained by 1761  
dividing (a) the average value of the current gas stored 1762  
underground, which shall be determined by adding the value of the 1763  
gas on hand at the end of each calendar month in the calendar year 1764  
preceding the tax year, or, if applicable, the last day of 1765  
business of each month for a partial month, divided by (b) the 1766  
total number of months the natural gas company was in business 1767  
during the calendar year prior to the beginning of the tax year. 1768  
with the approval of the tax commissioner, a natural gas company 1769  
may use a date other than the end of a calendar month to value its 1770  
current gas stored underground. 1771

(C) The true value of noncurrent gas stored underground is 1772  
thirty-five per cent of the cost of that gas shown on the books 1773  
and records of the public utility on the thirty-first day of 1774  
December of the preceding year. 1775

(D)(1) Except as provided in division (D)(2) of this section, 1776  
the true value of the production equipment of an electric company 1777  
and the true value of all taxable property of a rural electric 1778  
company is the equipment's or property's cost as capitalized on 1779  
the company's books and records less fifty per cent of that cost 1780  
as an allowance for depreciation and obsolescence. 1781

(2) The true value of the production equipment or energy 1782  
conversion equipment of an electric company ~~or~~, rural electric 1783  
company, or energy company purchased, transferred, or placed into 1784  
service after ~~the effective date of this amendment~~ October 5, 1785  
1999, is the purchase price of the equipment as capitalized on the 1786  
company's books and records less composite annual allowances as 1787  
prescribed by the tax commissioner. 1788

(E) The true value of taxable property, except property of a 1789

railroad company, required by section 5727.06 of the Revised Code 1790  
to be assessed by the tax commissioner shall not include the 1791  
allowance for funds used during construction or interest during 1792  
construction that has been capitalized on the public utility's 1793  
books and records as part of the total cost of the taxable 1794  
property. This division shall not apply to the taxable property of 1795  
an electric company or a rural electric company, excluding 1796  
transmission and distribution property, first placed into service 1797  
after December 31, 2000, or to the taxable property a person 1798  
purchases, which includes transfers, if that property was used in 1799  
business by the seller prior to the purchase. 1800

(F) The true value of watercraft owned or operated by a water 1801  
transportation company shall be determined by multiplying the true 1802  
value of the watercraft as determined under division (A) of this 1803  
section by a fraction, the numerator of which is the number of 1804  
revenue-earning miles traveled by the watercraft in the waters of 1805  
this state and the denominator of which is the number of 1806  
revenue-earning miles traveled by the watercraft in all waters. 1807

(G) The cost of property subject to a sale and leaseback 1808  
transaction is the cost of the property as capitalized on the 1809  
books and records of the public utility owning the property 1810  
immediately prior to the sale and leaseback transaction. 1811

(H) The cost as capitalized on the books and records of a 1812  
public utility includes amounts capitalized that represent 1813  
regulatory assets, if such amounts previously were included on the 1814  
company's books and records as capitalized costs of taxable 1815  
personal property. 1816

(I) Any change in the composite annual allowances as 1817  
prescribed by the commissioner on a prospective basis shall not be 1818  
admissible in any judicial or administrative action or proceeding 1819  
as evidence of value with regard to prior years' taxes. 1820  
Information about the business, property, or transactions of any 1821

taxpayer obtained by the commissioner for the purpose of adopting 1822  
or modifying the composite annual allowances shall not be subject 1823  
to discovery or disclosure. 1824

**Sec. 5727.111.** The taxable property of each public utility, 1825  
except a railroad company, and of each interexchange 1826  
telecommunications company shall be assessed at the following 1827  
percentages of true value: 1828

(A) ~~Fifty~~ In the case of a rural electric company, fifty per 1829  
cent in the case of ~~the~~ its taxable transmission and distribution 1830  
property ~~of a rural electric company and its energy conversion~~ 1831  
equipment, and twenty-five per cent for all its other taxable 1832  
property; 1833

(B) In the case of a telephone or telegraph company, 1834  
twenty-five per cent for taxable property first subject to 1835  
taxation in this state for tax year 1995 or thereafter for tax 1836  
years before tax year 2007, and pursuant to division (H) of 1837  
section 5711.22 of the Revised Code for tax year 2007 and 1838  
thereafter, and the following for all other taxable property: 1839

(1) For tax years prior to 2005, eighty-eight per cent; 1840

(2) For tax year 2005, sixty-seven per cent; 1841

(3) For tax year 2006, forty-six per cent; 1842

(4) For tax year 2007 and thereafter, pursuant to division 1843  
(H) of section 5711.22 of the Revised Code. 1844

(C) Twenty-five per cent in the case of a natural gas 1845  
company. 1846

(D) Eighty-eight per cent in the case of a pipe-line, 1847  
water-works, or heating company; 1848

(E)(1) For tax year 2005, eighty-eight per cent in the case 1849  
of the taxable transmission and distribution property of an 1850

electric company, and twenty-five per cent for all its other 1851  
taxable property; 1852

(2) For tax year 2006 and each tax year thereafter, in the 1853  
case of an electric company, eighty-five per cent in the case of 1854  
~~the its~~ taxable transmission and distribution property ~~of an~~ 1855  
~~electric company~~ and its energy conversion equipment, and 1856  
twenty-four per cent for all its other taxable property. 1857

(F)(1) Twenty-five per cent in the case of an interexchange 1858  
telecommunications company for tax years before tax year 2007; 1859

(2) Pursuant to division (H) of section 5711.22 of the 1860  
Revised Code for tax year 2007 and thereafter. 1861

(G) Twenty-five per cent in the case of a water 1862  
transportation company; 1863

(H) For tax year 2011 and each tax year thereafter in the 1864  
case of an energy company, twenty-four per cent in the case of its 1865  
taxable production equipment, and eighty-five per cent for all its 1866  
other taxable property. 1867

**Sec. 5727.15.** When all the taxable property of a public 1868  
utility is located in one taxing district, the tax commissioner 1869  
shall apportion the total taxable value thereof to that taxing 1870  
district. 1871

When taxable property of a public utility is located in more 1872  
than one taxing district, the commissioner shall apportion the 1873  
total taxable value thereof among the taxing districts as follows: 1874

(A)(1) In the case of a telegraph, interexchange 1875  
telecommunications, or telephone company that owns miles of wire 1876  
in this state, the value apportioned to each taxing district shall 1877  
be the same percentage of the total value apportioned to all 1878  
taxing districts as the miles of wire owned by the company within 1879  
the taxing district are to the total miles of wire owned by the 1880

company within this state; 1881

(2) In the case of a telegraph, interexchange 1882  
telecommunications, or telephone company that does not own miles 1883  
of wire in this state, the value apportioned to each taxing 1884  
district shall be the same percentage of the total value 1885  
apportioned to all taxing districts as the cost of the taxable 1886  
property physically located in the taxing district is of the total 1887  
cost of all taxable property physically located in this state. 1888

(B) In the case of a railroad company: 1889

(1) The taxable value of real and personal property not used 1890  
in railroad operations shall be apportioned according to its 1891  
situs; 1892

(2) The taxable value of personal property used in railroad 1893  
operations shall be apportioned to each taxing district in 1894  
proportion to the miles of track and trackage rights, weighted to 1895  
reflect the relative use of such personal property in each taxing 1896  
district; 1897

(3) The taxable value of real property used in railroad 1898  
operations shall be apportioned to each taxing district in 1899  
proportion to its relative value in each taxing district. 1900

(C)(1) Prior to tax year 2001, in the case of an electric 1901  
company: 1902

(a) Seventy per cent of the taxable value of all production 1903  
equipment and of all station equipment that is not production 1904  
equipment shall be apportioned to the taxing district in which 1905  
such property is physically located; and 1906

(b) The remaining value of such property, together with the 1907  
value of all other taxable personal property, shall be apportioned 1908  
to each taxing district in the per cent that the cost of all 1909  
transmission and distribution property physically located in the 1910

taxing district is of the total cost of all transmission and 1911  
distribution property physically located in this state. 1912

(c) If an electric company's taxable value for the current 1913  
year includes the value of any production equipment at a plant at 1914  
which the initial cost of the plant's production equipment 1915  
exceeded one billion dollars, then prior to making the 1916  
apportionments required for that company by division (C)(1)(a) and 1917  
(b) of this section, the tax commissioner shall do the following: 1918

(i) Subtract four hundred twenty million dollars from the 1919  
total taxable value of the production equipment at that plant for 1920  
the current tax year. 1921

(ii) Multiply the difference thus obtained by a fraction, the 1922  
numerator of which is the portion of the taxable value of that 1923  
plant's production equipment included in the company's total value 1924  
for the current tax year, and the denominator of which is the 1925  
total taxable value of such equipment included in the total 1926  
taxable value of all electric companies for such year; 1927

(iii) Apportion the product thus obtained to taxing districts 1928  
in the manner prescribed in division (C)(1)(b) of this section. 1929

(iv) Deduct the amounts so apportioned from the taxable value 1930  
of the company's production equipment at the plant, prior to 1931  
making the apportionments required by divisions (C)(1)(a) and (b) 1932  
of this section. 1933

For purposes of division (C)(1)(c) of this section, "initial 1934  
cost" applies only to production equipment of plants placed in 1935  
commercial operation on or after January 1, 1987, and means the 1936  
cost of all production equipment at a plant for the first year the 1937  
plant's equipment was subject to taxation. 1938

(2) For tax year 2001 and thereafter, in the case of an 1939  
electric company: 1940

(a) The taxable value of all production equipment shall be 1941  
apportioned to the taxing district in which such property is 1942  
physically located; and 1943

(b) The value of taxable personal property, ~~other than~~ 1944  
including energy conversion equipment but excluding production 1945  
equipment, shall be apportioned to each taxing district in the 1946  
proportion that the cost of such other taxable personal property 1947  
physically located in each taxing district is of the total cost of 1948  
such other taxable personal property physically located in this 1949  
state. 1950

(D) For tax year 2011 and thereafter, in the case of the 1951  
taxable property of an energy company: 1952

(1) The taxable value of all production equipment shall be 1953  
apportioned to the taxing district in which such property is 1954  
physically located. 1955

(2) The taxable value of all other taxable property, 1956  
including energy conversion equipment, shall be apportioned to 1957  
each taxing district in the proportion that the cost of such other 1958  
taxable property physically located in each taxing district is of 1959  
the total cost of such other taxable property physically located 1960  
in this state. 1961

(E) In the case of all other public utilities, the taxable 1962  
value of the property to be apportioned shall be apportioned to 1963  
each taxing district in proportion to the entire ~~value~~ cost of 1964  
such property within this state. 1965

**Sec. 5727.30.** (A) Except as provided in divisions (B), (C), 1966  
and (D) of this section, each public utility, except railroad 1967  
companies, shall be subject to an annual excise tax, as provided 1968  
by sections 5727.31 to 5727.62 of the Revised Code, for the 1969  
privilege of owning property in this state or doing business in 1970



this state during the twelve-month period next succeeding the 1971  
period upon which the tax is based. The tax shall be imposed 1972  
against each such public utility that, on the first day of such 1973  
twelve-month period, owns property in this state or is doing 1974  
business in this state, and the lien for the tax, including any 1975  
penalties and interest accruing thereon, shall attach on such day 1976  
to the property of the public utility in this state. 1977

(B) ~~An electric company's or a rural electric company's gross~~ 1978  
Gross receipts of an electric company, rural electric company, or 1979  
energy company received after April 30, 2001, are not subject to 1980  
the annual excise tax imposed by this section. 1981

(C) A natural gas company's gross receipts received after 1982  
April 30, 2000, are not subject to the annual excise tax imposed 1983  
by this section. 1984

(D) A telephone company's gross receipts derived from amounts 1985  
billed to customers after June 30, 2004, are not subject to the 1986  
annual excise tax imposed by this section. Notwithstanding any 1987  
other provision of law, gross receipts derived from amounts billed 1988  
by a telephone company to customers prior to July 1, 2004, shall 1989  
be included in the telephone company's annual statement filed on 1990  
or before August 1, 2004, which shall be the last statement or 1991  
report filed under section 5727.31 of the Revised Code by a 1992  
telephone company. A telephone company shall not deduct from its 1993  
gross receipts included in that last statement any receipts it was 1994  
unable to collect from its customers for the period of July 1, 1995  
2003, to June 30, 2004. 1996

**Sec. 5727.75.** (A) For purposes of this section: 1997

(1) "Qualified energy project" means an energy project 1998  
certified by the director of development pursuant to this section. 1999

(2) "Energy project" means a project to provide electric 2000

power through the construction, installation, and use of an energy facility. 2001  
2002

(3) "Alternative energy zone" means a county declared as such by the board of county commissioners under division (E)(1)(b) or (c) of this section. 2003  
2004  
2005

(4) "Full-time equivalent employee" means the total number of employee-hours for which compensation was paid to individuals employed at a qualified energy project for services performed at the project during the calendar year divided by two thousand eighty hours. 2006  
2007  
2008  
2009  
2010

(5) "Solar energy project" means an energy project composed of an energy facility using solar panels to generate electricity. 2011  
2012

(B)(1) Tangible personal property of a qualified energy project using renewable energy resources is exempt from taxation for tax years 2011 and 2012 if all of the following conditions are satisfied: 2013  
2014  
2015  
2016

(a) On or before December 31, 2011, the owner or a lessee pursuant to a sale and leaseback transaction of the project submits an application to the power siting board for a certificate under section 4906.20 of the Revised Code, or if that section does not apply, submits an application for any approval, consent, permit, or certificate or satisfies any condition required by a public agency or political subdivision of this state for the construction or initial operation of an energy project. 2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024

(b) Construction or installation of the energy facility begins on or after January 1, 2009, and before January 1, 2012. For the purposes of this division, construction begins on the earlier of the date of application for a certificate or other approval or permit described in division (B)(1)(a) of this section, or the date the contract for the construction or installation of the energy facility is entered into. 2025  
2026  
2027  
2028  
2029  
2030  
2031

(c) For a qualified energy project with a nameplate capacity of five megawatts or greater, a board of county commissioners of a county in which property of the project is located has adopted a resolution under division (E)(1)(b) or (c) of this section to approve the application submitted under division (E) of this section to exempt the property located in that county from taxation. A board's adoption of a resolution rejecting an application or its failure to adopt a resolution approving the application does not affect the tax-exempt status of the qualified energy project's property that is located in another county.

(2) If tangible personal property of a qualified energy project using renewable energy resources was exempt from taxation under this section for tax years 2011 and 2012 and the certification under division (E)(2) of this section has not been revoked, the tangible personal property of the qualified energy project is exempt from taxation for tax year 2013 and all ensuing tax years if the property was placed into service before January 1, 2013, as certified in the construction progress report required under division (F)(2) of this section. Tangible personal property that has not been placed into service before that date is taxable property subject to taxation. An energy project for which certification has been revoked is ineligible for further exemption under this section. Revocation does not affect the tax-exempt status of the project's tangible personal property for the tax year in which revocation occurs or any prior tax year.

(C) Tangible personal property of a qualified energy project using clean coal technology, advanced nuclear technology, or cogeneration technology is exempt from taxation for the first tax year that the property would be listed for taxation and all subsequent years if all of the following circumstances are met:

(1) The property was placed into service before January 1, 2017. Tangible personal property that has not been placed into

service before that date is taxable property subject to taxation. 2064

(2) For such a qualified energy project with a nameplate 2065  
capacity of five megawatts or greater, a board of county 2066  
commissioners of a county in which property of the qualified 2067  
energy project is located has adopted a resolution under division 2068  
(E)(1)(b) or (c) of this section to approve the application 2069  
submitted under division (E) of this section to exempt the 2070  
property located in that county from taxation. A board's adoption 2071  
of a resolution rejecting the application or its failure to adopt 2072  
a resolution approving the application does not affect the 2073  
tax-exempt status of the qualified energy project's property that 2074  
is located in another county. 2075

(3) The certification for the qualified energy project issued 2076  
under division (E)(2) of this section has not been revoked. An 2077  
energy project for which certification has been revoked is 2078  
ineligible for exemption under this section. Revocation does not 2079  
affect the tax-exempt status of the project's tangible personal 2080  
property for the tax year in which revocation occurs or any prior 2081  
tax year. 2082

(D) Except as otherwise provided in this division, real 2083  
property of a qualified energy project is exempt from taxation for 2084  
any tax year for which the tangible personal property of the 2085  
qualified energy project is exempted under this section. 2086

(E)(1)(a) A person may apply to the director of development 2087  
for certification of an energy project as a qualified energy 2088  
project on or before the following dates: 2089

(i) December 31, 2011, for an energy project using renewable 2090  
energy resources; 2091

(ii) December 31, 2013, for an energy project using clean 2092  
coal technology, advanced nuclear technology, or cogeneration 2093  
technology. 2094

(b) The director shall forward a copy of each application for 2095  
certification of an energy project with a nameplate capacity of 2096  
five megawatts or greater to the board of county commissioners of 2097  
each county in which the project is located and to each taxing 2098  
unit with territory located in each of the affected counties. Any 2099  
board that receives from the director a copy of an application 2100  
submitted under this division shall adopt a resolution approving 2101  
or rejecting the application unless it has adopted a resolution 2102  
under division (E)(1)(c) of this section. A resolution adopted 2103  
under division (E)(1)(b) or (c) of this section may require an 2104  
annual service payment to be made in addition to the service 2105  
payment required under division (G) of this section. The sum of 2106  
the service payment required in the resolution and the service 2107  
payment required under division (G) of this section shall not 2108  
exceed nine thousand dollars per megawatt of nameplate capacity 2109  
located in the county. The resolution shall specify the time and 2110  
manner in which the payments required by the resolution shall be 2111  
paid to the county treasurer. The county treasurer shall deposit 2112  
the payment to the credit of the county's general fund to be used 2113  
for any purpose for which money credited to that fund may be used. 2114

The board shall send copies of the resolution by certified 2115  
mail to the owner of the facility and the director within thirty 2116  
days after receipt of the application, or a longer period of time 2117  
if authorized by the director. 2118

(c) A board of county commissioners may adopt a resolution 2119  
declaring the county to be an alternative energy zone and 2120  
declaring all applications submitted to the director of 2121  
development under this division after the adoption of the 2122  
resolution, and prior to its repeal, to be approved by the board. 2123

All tangible personal property and real property of an energy 2124  
project with a nameplate capacity of five megawatts or greater is 2125  
taxable if it is located in a county in which the board of county 2126

commissioners adopted a resolution rejecting the application 2127  
submitted under this division or failed to adopt a resolution 2128  
approving the application under division (E)(1)(b) or (c) of this 2129  
section. 2130

(2) The director shall certify an energy project if all of 2131  
the following circumstances exist: 2132

(a) The application was timely submitted. 2133

(b) For an energy project with a nameplate capacity of five 2134  
megawatts or greater, a board of county commissioners of at least 2135  
one county in which the project is located has adopted a 2136  
resolution approving the application under division (E)(1)(b) or 2137  
(c) of this section. 2138

(c) No portion of the project's facility was used to supply 2139  
electricity before December 31, 2009. 2140

(3) The director shall deny a certification application if 2141  
the director determines the person has failed to comply with any 2142  
requirement under this section. The director may revoke a 2143  
certification if the director determines the person, or subsequent 2144  
owner or lessee pursuant to a sale and leaseback transaction of 2145  
the qualified energy project, has failed to comply with any 2146  
requirement under this section. Upon certification or revocation, 2147  
the director shall notify the person, owner, or lessee, the tax 2148  
commissioner, and the county auditor of a county in which the 2149  
project is located of the certification or revocation. Notice 2150  
shall be provided in a manner convenient to the director. 2151

(F) The owner or a lessee pursuant to a sale and leaseback 2152  
transaction of a qualified energy project shall do each of the 2153  
following: 2154

(1) Comply with all applicable regulations; 2155

(2) File with the director of development a certified 2156

construction progress report before the first day of March of each 2157  
year during the energy facility's construction or installation 2158  
indicating the percentage of the project completed, and the 2159  
project's nameplate capacity, as of the preceding thirty-first day 2160  
of December. Unless otherwise instructed by the director of 2161  
development, the owner or lessee of an energy project shall file a 2162  
report with the director on or before the first day of March each 2163  
year after completion of the energy facility's construction or 2164  
installation indicating the project's nameplate capacity as of the 2165  
preceding thirty-first day of December. Not later than sixty days 2166  
after the effective date of this section, the owner or lessee of 2167  
an energy project, the construction of which was completed before 2168  
the effective date of this section, shall file a certificate 2169  
indicating the project's nameplate capacity. 2170

(3) File with the director of development, in a manner 2171  
prescribed by the director, a report of the total number of 2172  
full-time equivalent employees, and the total number of full-time 2173  
equivalent employees domiciled in Ohio, who are employed in the 2174  
construction or installation of the energy facility; 2175

(4) For energy projects with a nameplate capacity of five 2176  
megawatts or greater, repair all roads, bridges, and culverts 2177  
affected by construction as reasonably required to restore them to 2178  
their preconstruction condition, as determined by the county 2179  
engineer in consultation with the local jurisdiction responsible 2180  
for the roads, bridges, and culverts. In the event that the county 2181  
engineer deems any road, bridge, or culvert to be inadequate to 2182  
support the construction or decommissioning of the energy 2183  
facility, the road, bridge, or culvert shall be rebuilt or 2184  
reinforced to the specifications established by the county 2185  
engineer prior to the construction or decommissioning of the 2186  
facility. The owner or lessee of the facility shall post a bond in 2187  
an amount established by the county engineer and to be held by the 2188

board of county commissioners to ensure funding for repairs of 2189  
roads, bridges, and culverts affected during the construction. The 2190  
bond shall be released by the board not later than one year after 2191  
the date the repairs are completed. The energy facility owner or 2192  
lessee pursuant to a sale and leaseback transaction shall post a 2193  
bond, as may be required by the Ohio power siting board in the 2194  
certificate authorizing commencement of construction issued 2195  
pursuant to section 4906.10 of the Revised Code, to ensure funding 2196  
for repairs to roads, bridges, and culverts resulting from 2197  
decommissioning of the facility. The energy facility owner or 2198  
lessee and the county engineer may enter into an agreement 2199  
regarding specific transportation plans, reinforcements, 2200  
modifications, use and repair of roads, financial security to be 2201  
provided, and any other relevant issue. 2202

(5) Provide or facilitate training for fire and emergency 2203  
responders for response to emergency situations related to the 2204  
energy project and, for energy projects with a nameplate capacity 2205  
of five megawatts or greater, at the person's expense, equip the 2206  
fire and emergency responders with proper equipment as reasonably 2207  
required to enable them to respond to such emergency situations; 2208

(6) Maintain a ratio of Ohio-domiciled full-time equivalent 2209  
employees employed in the construction or installation of the 2210  
energy project to total full-time equivalent employees employed in 2211  
the construction or installation of the energy project of not less 2212  
than eighty per cent in the case of a solar energy project, and 2213  
not less than fifty per cent in the case of any other energy 2214  
project. In the case of an energy project for which certification 2215  
from the power siting board is required under section 4906.20 of 2216  
the Revised Code, the number of full-time equivalent employees 2217  
employed in the construction or installation of the energy project 2218  
equals the number actually employed or the number projected to be 2219  
employed in the certificate application, if such projection is 2220



required under regulations adopted pursuant to section 4906.03 of 2221  
the Revised Code, whichever is greater. For all other energy 2222  
projects, the number of full-time equivalent employees employed in 2223  
the construction or installation of the energy project equals the 2224  
number actually employed or the number projected to be employed by 2225  
the director of development, whichever is greater. To estimate the 2226  
number of employees to be employed in the construction or 2227  
installation of an energy project, the director shall use a 2228  
generally accepted job-estimating model in use for renewable 2229  
energy projects, including but not limited to the job and economic 2230  
development impact model. The director may adjust an estimate 2231  
produced by a model to account for variables not accounted for by 2232  
the model. 2233

(7) For energy projects with a nameplate capacity in excess 2234  
of two megawatts, establish a relationship with a member of the 2235  
university system of Ohio as defined in section 3345.011 of the 2236  
Revised Code or with a person offering an apprenticeship program 2237  
registered with the employment and training administration within 2238  
the United States department of labor or with the apprenticeship 2239  
council created by section 4139.02 of the Revised Code, to educate 2240  
and train individuals for careers in the wind or solar energy 2241  
industry. The relationship may include endowments, cooperative 2242  
programs, internships, apprenticeships, research and development 2243  
projects, and curriculum development. 2244

(8) Offer to sell power or renewable energy credits from the 2245  
energy project to electric distribution utilities or electric 2246  
service companies subject to renewable energy resource 2247  
requirements under section 4928.64 of the Revised Code that have 2248  
issued requests for proposal for such power or renewable energy 2249  
credits. If no electric distribution utility or electric service 2250  
company issues a request for proposal on or before December 31, 2251  
2010, or accepts an offer for power or renewable energy credits 2252

within forty-five days after the offer is submitted, power or 2253  
renewable energy credits from the energy project may be sold to 2254  
other persons. Division (F)(8) of this section does not apply if: 2255

(a) The owner or lessee is a rural electric company or a 2256  
municipal power agency as defined in section 3734.058 of the 2257  
Revised Code. 2258

(b) The owner or lessee is a person that, before completion 2259  
of the energy project, contracted for the sale of power or 2260  
renewable energy credits with a rural electric company or a 2261  
municipal power agency. 2262

(c) The owner or lessee contracts for the sale of power or 2263  
renewable energy credits from the energy project before the 2264  
effective date of this section as enacted by this act. 2265

(9) Make annual service payments as required by division (G) 2266  
of this section and as may be required in a resolution adopted by 2267  
a board of county commissioners under division (E) of this 2268  
section. 2269

(G) The owner or a lessee pursuant to a sale and leaseback 2270  
transaction of a qualified energy project shall make annual 2271  
service payments in lieu of taxes to the county treasurer on or 2272  
before the final dates for payments of taxes on public utility 2273  
personal property on the real and public utility personal property 2274  
tax list for each tax year for which property of the energy 2275  
project is exempt from taxation under this section. The county 2276  
treasurer shall allocate the payment on the basis of the project's 2277  
physical location. Upon receipt of a payment, or if timely payment 2278  
has not been received, the county treasurer shall certify such 2279  
receipt or non-receipt to the director of development and tax 2280  
commissioner in a form determined by the director and 2281  
commissioner, respectively. Each payment shall be in the following 2282  
amount: 2283

(1) In the case of a solar energy project, seven thousand 2284  
dollars per megawatt of nameplate capacity located in the county 2285  
as of December 31, 2010, for tax year 2011, as of December 31, 2286  
2011, for tax year 2012, and as of December 31, 2012, for tax year 2287  
2013 and each tax year thereafter; 2288

(2) In the case of any other energy project using renewable 2289  
energy resources, the following: 2290

(a) If the project maintains during the construction or 2291  
installation of the energy facility a ratio of Ohio-domiciled 2292  
full-time equivalent employees to total full-time equivalent 2293  
employees of not less than seventy-five per cent, six thousand 2294  
dollars per megawatt of nameplate capacity located in the county 2295  
as of the thirty-first day of December of the preceding tax year; 2296

(b) If the project maintains during the construction or 2297  
installation of the energy facility a ratio of Ohio-domiciled 2298  
full-time equivalent employees to total full-time equivalent 2299  
employees of less than seventy-five per cent but not less than 2300  
sixty per cent, seven thousand dollars per megawatt of nameplate 2301  
capacity located in the county as of the thirty-first day of 2302  
December of the preceding tax year; 2303

(c) If the project maintains during the construction or 2304  
installation of the energy facility a ratio of Ohio-domiciled 2305  
full-time equivalent employees to total full-time equivalent 2306  
employees of less than sixty per cent but not less than fifty per 2307  
cent, eight thousand dollars per megawatt of nameplate capacity 2308  
located in the county as of the thirty-first day of December of 2309  
the preceding tax year. 2310

(3) In the case of an energy project using clean coal 2311  
technology, advanced nuclear technology, or cogeneration 2312  
technology, the following: 2313

(a) If the project maintains during the construction or 2314

installation of the energy facility a ratio of Ohio-domiciled 2315  
full-time equivalent employees to total full-time equivalent 2316  
employees of not less than seventy-five per cent, six thousand 2317  
dollars per megawatt of nameplate capacity located in the county 2318  
as of the thirty-first day of December of the preceding tax year; 2319

(b) If the project maintains during the construction or 2320  
installation of the energy facility a ratio of Ohio-domiciled 2321  
full-time equivalent employees to total full-time equivalent 2322  
employees of less than seventy-five per cent but not less than 2323  
sixty per cent, seven thousand dollars per megawatt of nameplate 2324  
capacity located in the county as of the thirty-first day of 2325  
December of the preceding tax year; 2326

(c) If the project maintains during the construction or 2327  
installation of the energy facility a ratio of Ohio-domiciled 2328  
full-time equivalent employees to total full-time equivalent 2329  
employees of less than sixty per cent but not less than fifty per 2330  
cent, eight thousand dollars per megawatt of nameplate capacity 2331  
located in the county as of the thirty-first day of December of 2332  
the preceding tax year. 2333

(H) The director of development in consultation with the tax 2334  
commissioner shall adopt rules pursuant to Chapter 119. of the 2335  
Revised Code to implement and enforce this section. 2336

**Sec. 5739.02.** For the purpose of providing revenue with which 2337  
to meet the needs of the state, for the use of the general revenue 2338  
fund of the state, for the purpose of securing a thorough and 2339  
efficient system of common schools throughout the state, for the 2340  
purpose of affording revenues, in addition to those from general 2341  
property taxes, permitted under constitutional limitations, and 2342  
from other sources, for the support of local governmental 2343  
functions, and for the purpose of reimbursing the state for the 2344  
expense of administering this chapter, an excise tax is hereby 2345

levied on each retail sale made in this state. 2346

(A)(1) The tax shall be collected as provided in section 2347  
5739.025 of the Revised Code. The rate of the tax shall be five 2348  
and one-half per cent. The tax applies and is collectible when the 2349  
sale is made, regardless of the time when the price is paid or 2350  
delivered. 2351

(2) In the case of the lease or rental, with a fixed term of 2352  
more than thirty days or an indefinite term with a minimum period 2353  
of more than thirty days, of any motor vehicles designed by the 2354  
manufacturer to carry a load of not more than one ton, watercraft, 2355  
outboard motor, or aircraft, or of any tangible personal property, 2356  
other than motor vehicles designed by the manufacturer to carry a 2357  
load of more than one ton, to be used by the lessee or renter 2358  
primarily for business purposes, the tax shall be collected by the 2359  
vendor at the time the lease or rental is consummated and shall be 2360  
calculated by the vendor on the basis of the total amount to be 2361  
paid by the lessee or renter under the lease agreement. If the 2362  
total amount of the consideration for the lease or rental includes 2363  
amounts that are not calculated at the time the lease or rental is 2364  
executed, the tax shall be calculated and collected by the vendor 2365  
at the time such amounts are billed to the lessee or renter. In 2366  
the case of an open-end lease or rental, the tax shall be 2367  
calculated by the vendor on the basis of the total amount to be 2368  
paid during the initial fixed term of the lease or rental, and for 2369  
each subsequent renewal period as it comes due. As used in this 2370  
division, "motor vehicle" has the same meaning as in section 2371  
4501.01 of the Revised Code, and "watercraft" includes an outdrive 2372  
unit attached to the watercraft. 2373

A lease with a renewal clause and a termination penalty or 2374  
similar provision that applies if the renewal clause is not 2375  
exercised is presumed to be a sham transaction. In such a case, 2376  
the tax shall be calculated and paid on the basis of the entire 2377

length of the lease period, including any renewal periods, until 2378  
the termination penalty or similar provision no longer applies. 2379  
The taxpayer shall bear the burden, by a preponderance of the 2380  
evidence, that the transaction or series of transactions is not a 2381  
sham transaction. 2382

(3) Except as provided in division (A)(2) of this section, in 2383  
the case of a sale, the price of which consists in whole or in 2384  
part of the lease or rental of tangible personal property, the tax 2385  
shall be measured by the installments of that lease or rental. 2386

(4) In the case of a sale of a physical fitness facility 2387  
service or recreation and sports club service, the price of which 2388  
consists in whole or in part of a membership for the receipt of 2389  
the benefit of the service, the tax applicable to the sale shall 2390  
be measured by the installments thereof. 2391

(B) The tax does not apply to the following: 2392

(1) Sales to the state or any of its political subdivisions, 2393  
or to any other state or its political subdivisions if the laws of 2394  
that state exempt from taxation sales made to this state and its 2395  
political subdivisions; 2396

(2) Sales of food for human consumption off the premises 2397  
where sold; 2398

(3) Sales of food sold to students only in a cafeteria, 2399  
dormitory, fraternity, or sorority maintained in a private, 2400  
public, or parochial school, college, or university; 2401

(4) Sales of newspapers and of magazine subscriptions and 2402  
sales or transfers of magazines distributed as controlled 2403  
circulation publications; 2404

(5) The furnishing, preparing, or serving of meals without 2405  
charge by an employer to an employee provided the employer records 2406  
the meals as part compensation for services performed or work 2407

done; 2408

(6) Sales of motor fuel upon receipt, use, distribution, or 2409  
sale of which in this state a tax is imposed by the law of this 2410  
state, but this exemption shall not apply to the sale of motor 2411  
fuel on which a refund of the tax is allowable under division (A) 2412  
of section 5735.14 of the Revised Code; and the tax commissioner 2413  
may deduct the amount of tax levied by this section applicable to 2414  
the price of motor fuel when granting a refund of motor fuel tax 2415  
pursuant to division (A) of section 5735.14 of the Revised Code 2416  
and shall cause the amount deducted to be paid into the general 2417  
revenue fund of this state; 2418

(7) Sales of natural gas by a natural gas company, of water 2419  
by a water-works company, or of steam by a heating company, if in 2420  
each case the thing sold is delivered to consumers through pipes 2421  
or conduits, and all sales of communications services by a 2422  
telegraph company, all terms as defined in section 5727.01 of the 2423  
Revised Code, and sales of electricity delivered through wires; 2424

(8) Casual sales by a person, or auctioneer employed directly 2425  
by the person to conduct such sales, except as to such sales of 2426  
motor vehicles, watercraft or outboard motors required to be 2427  
titled under section 1548.06 of the Revised Code, watercraft 2428  
documented with the United States coast guard, snowmobiles, and 2429  
all-purpose vehicles as defined in section 4519.01 of the Revised 2430  
Code; 2431

(9)(a) Sales of services or tangible personal property, other 2432  
than motor vehicles, mobile homes, and manufactured homes, by 2433  
churches, organizations exempt from taxation under section 2434  
501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 2435  
organizations operated exclusively for charitable purposes as 2436  
defined in division (B)(12) of this section, provided that the 2437  
number of days on which such tangible personal property or 2438  
services, other than items never subject to the tax, are sold does 2439

not exceed six in any calendar year, except as otherwise provided 2440  
in division (B)(9)(b) of this section. If the number of days on 2441  
which such sales are made exceeds six in any calendar year, the 2442  
church or organization shall be considered to be engaged in 2443  
business and all subsequent sales by it shall be subject to the 2444  
tax. In counting the number of days, all sales by groups within a 2445  
church or within an organization shall be considered to be sales 2446  
of that church or organization. 2447

(b) The limitation on the number of days on which tax-exempt 2448  
sales may be made by a church or organization under division 2449  
(B)(9)(a) of this section does not apply to sales made by student 2450  
clubs and other groups of students of a primary or secondary 2451  
school, or a parent-teacher association, booster group, or similar 2452  
organization that raises money to support or fund curricular or 2453  
extracurricular activities of a primary or secondary school. 2454

(c) Divisions (B)(9)(a) and (b) of this section do not apply 2455  
to sales by a noncommercial educational radio or television 2456  
broadcasting station. 2457

(10) Sales not within the taxing power of this state under 2458  
the Constitution of the United States; 2459

(11) Except for transactions that are sales under division 2460  
(B)(3)(r) of section 5739.01 of the Revised Code, the 2461  
transportation of persons or property, unless the transportation 2462  
is by a private investigation and security service; 2463

(12) Sales of tangible personal property or services to 2464  
churches, to organizations exempt from taxation under section 2465  
501(c)(3) of the Internal Revenue Code of 1986, and to any other 2466  
nonprofit organizations operated exclusively for charitable 2467  
purposes in this state, no part of the net income of which inures 2468  
to the benefit of any private shareholder or individual, and no 2469  
substantial part of the activities of which consists of carrying 2470



on propaganda or otherwise attempting to influence legislation; 2471  
sales to offices administering one or more homes for the aged or 2472  
one or more hospital facilities exempt under section 140.08 of the 2473  
Revised Code; and sales to organizations described in division (D) 2474  
of section 5709.12 of the Revised Code. 2475

"Charitable purposes" means the relief of poverty; the 2476  
improvement of health through the alleviation of illness, disease, 2477  
or injury; the operation of an organization exclusively for the 2478  
provision of professional, laundry, printing, and purchasing 2479  
services to hospitals or charitable institutions; the operation of 2480  
a home for the aged, as defined in section 5701.13 of the Revised 2481  
Code; the operation of a radio or television broadcasting station 2482  
that is licensed by the federal communications commission as a 2483  
noncommercial educational radio or television station; the 2484  
operation of a nonprofit animal adoption service or a county 2485  
humane society; the promotion of education by an institution of 2486  
learning that maintains a faculty of qualified instructors, 2487  
teaches regular continuous courses of study, and confers a 2488  
recognized diploma upon completion of a specific curriculum; the 2489  
operation of a parent-teacher association, booster group, or 2490  
similar organization primarily engaged in the promotion and 2491  
support of the curricular or extracurricular activities of a 2492  
primary or secondary school; the operation of a community or area 2493  
center in which presentations in music, dramatics, the arts, and 2494  
related fields are made in order to foster public interest and 2495  
education therein; the production of performances in music, 2496  
dramatics, and the arts; or the promotion of education by an 2497  
organization engaged in carrying on research in, or the 2498  
dissemination of, scientific and technological knowledge and 2499  
information primarily for the public. 2500

Nothing in this division shall be deemed to exempt sales to 2501  
any organization for use in the operation or carrying on of a 2502

trade or business, or sales to a home for the aged for use in the 2503  
operation of independent living facilities as defined in division 2504  
(A) of section 5709.12 of the Revised Code. 2505

(13) Building and construction materials and services sold to 2506  
construction contractors for incorporation into a structure or 2507  
improvement to real property under a construction contract with 2508  
this state or a political subdivision of this state, or with the 2509  
United States government or any of its agencies; building and 2510  
construction materials and services sold to construction 2511  
contractors for incorporation into a structure or improvement to 2512  
real property that are accepted for ownership by this state or any 2513  
of its political subdivisions, or by the United States government 2514  
or any of its agencies at the time of completion of the structures 2515  
or improvements; building and construction materials sold to 2516  
construction contractors for incorporation into a horticulture 2517  
structure or livestock structure for a person engaged in the 2518  
business of horticulture or producing livestock; building 2519  
materials and services sold to a construction contractor for 2520  
incorporation into a house of public worship or religious 2521  
education, or a building used exclusively for charitable purposes 2522  
under a construction contract with an organization whose purpose 2523  
is as described in division (B)(12) of this section; building 2524  
materials and services sold to a construction contractor for 2525  
incorporation into a building under a construction contract with 2526  
an organization exempt from taxation under section 501(c)(3) of 2527  
the Internal Revenue Code of 1986 when the building is to be used 2528  
exclusively for the organization's exempt purposes; building and 2529  
construction materials sold for incorporation into the original 2530  
construction of a sports facility under section 307.696 of the 2531  
Revised Code; and building and construction materials and services 2532  
sold to a construction contractor for incorporation into real 2533  
property outside this state if such materials and services, when 2534  
sold to a construction contractor in the state in which the real 2535

property is located for incorporation into real property in that 2536  
state, would be exempt from a tax on sales levied by that state; 2537

(14) Sales of ships or vessels or rail rolling stock used or 2538  
to be used principally in interstate or foreign commerce, and 2539  
repairs, alterations, fuel, and lubricants for such ships or 2540  
vessels or rail rolling stock; 2541

(15) Sales to persons primarily engaged in any of the 2542  
activities mentioned in division (B)(42)(a) or (g) of this 2543  
section, to persons engaged in making retail sales, or to persons 2544  
who purchase for sale from a manufacturer tangible personal 2545  
property that was produced by the manufacturer in accordance with 2546  
specific designs provided by the purchaser, of packages, including 2547  
material, labels, and parts for packages, and of machinery, 2548  
equipment, and material for use primarily in packaging tangible 2549  
personal property produced for sale, including any machinery, 2550  
equipment, and supplies used to make labels or packages, to 2551  
prepare packages or products for labeling, or to label packages or 2552  
products, by or on the order of the person doing the packaging, or 2553  
sold at retail. "Packages" includes bags, baskets, cartons, 2554  
crates, boxes, cans, bottles, bindings, wrappings, and other 2555  
similar devices and containers, but does not include motor 2556  
vehicles or bulk tanks, trailers, or similar devices attached to 2557  
motor vehicles. "Packaging" means placing in a package. Division 2558  
(B)(15) of this section does not apply to persons engaged in 2559  
highway transportation for hire. 2560

(16) Sales of food to persons using supplemental nutrition 2561  
assistance program benefits to purchase the food. As used in this 2562  
division, "food" has the same meaning as in 7 U.S.C. 2012 and 2563  
federal regulations adopted pursuant to the Food and Nutrition Act 2564  
of 2008. 2565

(17) Sales to persons engaged in farming, agriculture, 2566  
horticulture, or floriculture, of tangible personal property for 2567

use or consumption directly in the production by farming, 2568  
agriculture, horticulture, or floriculture of other tangible 2569  
personal property for use or consumption directly in the 2570  
production of tangible personal property for sale by farming, 2571  
agriculture, horticulture, or floriculture; or material and parts 2572  
for incorporation into any such tangible personal property for use 2573  
or consumption in production; and of tangible personal property 2574  
for such use or consumption in the conditioning or holding of 2575  
products produced by and for such use, consumption, or sale by 2576  
persons engaged in farming, agriculture, horticulture, or 2577  
floriculture, except where such property is incorporated into real 2578  
property; 2579

(18) Sales of drugs for a human being that may be dispensed 2580  
only pursuant to a prescription; insulin as recognized in the 2581  
official United States pharmacopoeia; urine and blood testing 2582  
materials when used by diabetics or persons with hypoglycemia to 2583  
test for glucose or acetone; hypodermic syringes and needles when 2584  
used by diabetics for insulin injections; epoetin alfa when 2585  
purchased for use in the treatment of persons with medical 2586  
disease; hospital beds when purchased by hospitals, nursing homes, 2587  
or other medical facilities; and medical oxygen and medical 2588  
oxygen-dispensing equipment when purchased by hospitals, nursing 2589  
homes, or other medical facilities; 2590

(19) Sales of prosthetic devices, durable medical equipment 2591  
for home use, or mobility enhancing equipment, when made pursuant 2592  
to a prescription and when such devices or equipment are for use 2593  
by a human being. 2594

(20) Sales of emergency and fire protection vehicles and 2595  
equipment to nonprofit organizations for use solely in providing 2596  
fire protection and emergency services, including trauma care and 2597  
emergency medical services, for political subdivisions of the 2598  
state; 2599

(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 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	2632
exclusively in the treatment, distribution, and sale of water to	2633
consumers, if such water is delivered to consumers through pipes	2634
or tubing.	2635
(26) Fees charged for inspection or reinspection of motor	2636
vehicles under section 3704.14 of the Revised Code;	2637
(27) Sales to persons licensed to conduct a food service	2638
operation pursuant to section 3717.43 of the Revised Code, of	2639
tangible personal property primarily used directly for the	2640
following:	2641
(a) To prepare food for human consumption for sale;	2642
(b) To preserve food that has been or will be prepared for	2643
human consumption for sale by the food service operator, not	2644
including tangible personal property used to display food for	2645
selection by the consumer;	2646
(c) To clean tangible personal property used to prepare or	2647
serve food for human consumption for sale.	2648
(28) Sales of animals by nonprofit animal adoption services	2649
or county humane societies;	2650
(29) Sales of services to a corporation described in division	2651
(A) of section 5709.72 of the Revised Code, and sales of tangible	2652
personal property that qualifies for exemption from taxation under	2653
section 5709.72 of the Revised Code;	2654
(30) Sales and installation of agricultural land tile, as	2655
defined in division (B)(5)(a) of section 5739.01 of the Revised	2656
Code;	2657
(31) Sales and erection or installation of portable grain	2658
bins, as defined in division (B)(5)(b) of section 5739.01 of the	2659
Revised Code;	2660
(32) The sale, lease, repair, and maintenance of, parts for,	2661

or items attached to or incorporated in, motor vehicles that are 2662  
primarily used for transporting tangible personal property 2663  
belonging to others by a person engaged in highway transportation 2664  
for hire, except for packages and packaging used for the 2665  
transportation of tangible personal property; 2666

(33) Sales to the state headquarters of any veterans' 2667  
organization in this state that is either incorporated and issued 2668  
a charter by the congress of the United States or is recognized by 2669  
the United States veterans administration, for use by the 2670  
headquarters; 2671

(34) Sales to a telecommunications service vendor, mobile 2672  
telecommunications service vendor, or satellite broadcasting 2673  
service vendor of tangible personal property and services used 2674  
directly and primarily in transmitting, receiving, switching, or 2675  
recording any interactive, one- or two-way electromagnetic 2676  
communications, including voice, image, data, and information, 2677  
through the use of any medium, including, but not limited to, 2678  
poles, wires, cables, switching equipment, computers, and record 2679  
storage devices and media, and component parts for the tangible 2680  
personal property. The exemption provided in this division shall 2681  
be in lieu of all other exemptions under division (B)(42)(a) of 2682  
this section to which the vendor may otherwise be entitled, based 2683  
upon the use of the thing purchased in providing the 2684  
telecommunications, mobile telecommunications, or satellite 2685  
broadcasting service. 2686

(35)(a) Sales where the purpose of the consumer is to use or 2687  
consume the things transferred in making retail sales and 2688  
consisting of newspaper inserts, catalogues, coupons, flyers, gift 2689  
certificates, or other advertising material that prices and 2690  
describes tangible personal property offered for retail sale. 2691

(b) Sales to direct marketing vendors of preliminary 2692  
materials such as photographs, artwork, and typesetting that will 2693

be used in printing advertising material; of printed matter that 2694  
offers free merchandise or chances to win sweepstake prizes and 2695  
that is mailed to potential customers with advertising material 2696  
described in division (B)(35)(a) of this section; and of equipment 2697  
such as telephones, computers, facsimile machines, and similar 2698  
tangible personal property primarily used to accept orders for 2699  
direct marketing retail sales. 2700

(c) Sales of automatic food vending machines that preserve 2701  
food with a shelf life of forty-five days or less by refrigeration 2702  
and dispense it to the consumer. 2703

For purposes of division (B)(35) of this section, "direct 2704  
marketing" means the method of selling where consumers order 2705  
tangible personal property by United States mail, delivery 2706  
service, or telecommunication and the vendor delivers or ships the 2707  
tangible personal property sold to the consumer from a warehouse, 2708  
catalogue distribution center, or similar fulfillment facility by 2709  
means of the United States mail, delivery service, or common 2710  
carrier. 2711

(36) Sales to a person engaged in the business of 2712  
horticulture or producing livestock of materials to be 2713  
incorporated into a horticulture structure or livestock structure; 2714

(37) Sales of personal computers, computer monitors, computer 2715  
keyboards, modems, and other peripheral computer equipment to an 2716  
individual who is licensed or certified to teach in an elementary 2717  
or a secondary school in this state for use by that individual in 2718  
preparation for teaching elementary or secondary school students; 2719

(38) Sales to a professional racing team of any of the 2720  
following: 2721

(a) Motor racing vehicles; 2722

(b) Repair services for motor racing vehicles; 2723



(c) Items of property that are attached to or incorporated in 2724  
motor racing vehicles, including engines, chassis, and all other 2725  
components of the vehicles, and all spare, replacement, and 2726  
rebuilt parts or components of the vehicles; except not including 2727  
tires, consumable fluids, paint, and accessories consisting of 2728  
instrumentation sensors and related items added to the vehicle to 2729  
collect and transmit data by means of telemetry and other forms of 2730  
communication. 2731

(39) Sales of used manufactured homes and used mobile homes, 2732  
as defined in section 5739.0210 of the Revised Code, made on or 2733  
after January 1, 2000; 2734

(40) Sales of tangible personal property and services to a 2735  
provider of electricity used or consumed directly and primarily in 2736  
generating, transmitting, or distributing electricity for use by 2737  
others, including property that is or is to be incorporated into 2738  
and will become a part of the consumer's production, transmission, 2739  
or distribution system and that retains its classification as 2740  
tangible personal property after incorporation; fuel or power used 2741  
in the production, transmission, or distribution of electricity; 2742  
energy conversion equipment as defined in section 5727.01 of the 2743  
Revised Code; and tangible personal property and services used in 2744  
the repair and maintenance of the production, transmission, or 2745  
distribution system, including only those motor vehicles as are 2746  
specially designed and equipped for such use. The exemption 2747  
provided in this division shall be in lieu of all other exemptions 2748  
in division (B)(42)(a) of this section to which a provider of 2749  
electricity may otherwise be entitled based on the use of the 2750  
tangible personal property or service purchased in generating, 2751  
transmitting, or distributing electricity. 2752

(41) Sales to a person providing services under division 2753  
(B)(3)(r) of section 5739.01 of the Revised Code of tangible 2754  
personal property and services used directly and primarily in 2755

providing taxable services under that section. 2756

(42) Sales where the purpose of the purchaser is to do any of 2757  
the following: 2758

(a) To incorporate the thing transferred as a material or a 2759  
part into tangible personal property to be produced for sale by 2760  
manufacturing, assembling, processing, or refining; or to use or 2761  
consume the thing transferred directly in producing tangible 2762  
personal property for sale by mining, including, without 2763  
limitation, the extraction from the earth of all substances that 2764  
are classed geologically as minerals, production of crude oil and 2765  
natural gas, farming, agriculture, horticulture, or floriculture, 2766  
or directly in the rendition of a public utility service, except 2767  
that the sales tax levied by this section shall be collected upon 2768  
all meals, drinks, and food for human consumption sold when 2769  
transporting persons. Persons engaged in rendering farming, 2770  
agricultural, horticultural, or floricultural services, and 2771  
services in the exploration for, and production of, crude oil and 2772  
natural gas, for others are deemed engaged directly in farming, 2773  
agriculture, horticulture, and floriculture, or exploration for, 2774  
and production of, crude oil and natural gas. This paragraph does 2775  
not exempt from "retail sale" or "sales at retail" the sale of 2776  
tangible personal property that is to be incorporated into a 2777  
structure or improvement to real property. 2778

(b) To hold the thing transferred as security for the 2779  
performance of an obligation of the vendor; 2780

(c) To resell, hold, use, or consume the thing transferred as 2781  
evidence of a contract of insurance; 2782

(d) To use or consume the thing directly in commercial 2783  
fishing; 2784

(e) To incorporate the thing transferred as a material or a 2785  
part into, or to use or consume the thing transferred directly in 2786

the production of, magazines distributed as controlled circulation 2787  
publications; 2788

(f) To use or consume the thing transferred in the production 2789  
and preparation in suitable condition for market and sale of 2790  
printed, imprinted, overprinted, lithographic, multilithic, 2791  
blueprinted, photostatic, or other productions or reproductions of 2792  
written or graphic matter; 2793

(g) To use the thing transferred, as described in section 2794  
5739.011 of the Revised Code, primarily in a manufacturing 2795  
operation to produce tangible personal property for sale; 2796

(h) To use the benefit of a warranty, maintenance or service 2797  
contract, or similar agreement, as described in division (B)(7) of 2798  
section 5739.01 of the Revised Code, to repair or maintain 2799  
tangible personal property, if all of the property that is the 2800  
subject of the warranty, contract, or agreement would not be 2801  
subject to the tax imposed by this section; 2802

(i) To use the thing transferred as qualified research and 2803  
development equipment; 2804

(j) To use or consume the thing transferred primarily in 2805  
storing, transporting, mailing, or otherwise handling purchased 2806  
sales inventory in a warehouse, distribution center, or similar 2807  
facility when the inventory is primarily distributed outside this 2808  
state to retail stores of the person who owns or controls the 2809  
warehouse, distribution center, or similar facility, to retail 2810  
stores of an affiliated group of which that person is a member, or 2811  
by means of direct marketing. This division does not apply to 2812  
motor vehicles registered for operation on the public highways. As 2813  
used in this division, "affiliated group" has the same meaning as 2814  
in division (B)(3)(e) of section 5739.01 of the Revised Code and 2815  
"direct marketing" has the same meaning as in division (B)(35) of 2816  
this section. 2817

(k) To use or consume the thing transferred to fulfill a 2818  
contractual obligation incurred by a warrantor pursuant to a 2819  
warranty provided as a part of the price of the tangible personal 2820  
property sold or by a vendor of a warranty, maintenance or service 2821  
contract, or similar agreement the provision of which is defined 2822  
as a sale under division (B)(7) of section 5739.01 of the Revised 2823  
Code; 2824

(l) To use or consume the thing transferred in the production 2825  
of a newspaper for distribution to the public; 2826

(m) To use tangible personal property to perform a service 2827  
listed in division (B)(3) of section 5739.01 of the Revised Code, 2828  
if the property is or is to be permanently transferred to the 2829  
consumer of the service as an integral part of the performance of 2830  
the service; 2831

(n) To use or consume the thing transferred in acquiring, 2832  
formatting, editing, storing, and disseminating data or 2833  
information by electronic publishing. 2834

As used in division (B)(42) of this section, "thing" includes 2835  
all transactions included in divisions (B)(3)(a), (b), and (e) of 2836  
section 5739.01 of the Revised Code. 2837

(43) Sales conducted through a coin operated device that 2838  
activates vacuum equipment or equipment that dispenses water, 2839  
whether or not in combination with soap or other cleaning agents 2840  
or wax, to the consumer for the consumer's use on the premises in 2841  
washing, cleaning, or waxing a motor vehicle, provided no other 2842  
personal property or personal service is provided as part of the 2843  
transaction. 2844

(44) Sales of replacement and modification parts for engines, 2845  
airframes, instruments, and interiors in, and paint for, aircraft 2846  
used primarily in a fractional aircraft ownership program, and 2847  
sales of services for the repair, modification, and maintenance of 2848

such aircraft, and machinery, equipment, and supplies primarily 2849  
used to provide those services. 2850

(45) Sales of telecommunications service that is used 2851  
directly and primarily to perform the functions of a call center. 2852  
As used in this division, "call center" means any physical 2853  
location where telephone calls are placed or received in high 2854  
volume for the purpose of making sales, marketing, customer 2855  
service, technical support, or other specialized business 2856  
activity, and that employs at least fifty individuals that engage 2857  
in call center activities on a full-time basis, or sufficient 2858  
individuals to fill fifty full-time equivalent positions. 2859

(46) Sales by a telecommunications service vendor of 900 2860  
service to a subscriber. This division does not apply to 2861  
information services, as defined in division (FF) of section 2862  
5739.01 of the Revised Code. 2863

(47) Sales of value-added non-voice data service. This 2864  
division does not apply to any similar service that is not 2865  
otherwise a telecommunications service. 2866

(48)(a) Sales of machinery, equipment, and software to a 2867  
qualified direct selling entity for use in a warehouse or 2868  
distribution center primarily for storing, transporting, or 2869  
otherwise handling inventory that is held for sale to independent 2870  
salespersons who operate as direct sellers and that is held 2871  
primarily for distribution outside this state; 2872

(b) As used in division (B)(48)(a) of this section: 2873

(i) "Direct seller" means a person selling consumer products 2874  
to individuals for personal or household use and not from a fixed 2875  
retail location, including selling such product at in-home product 2876  
demonstrations, parties, and other one-on-one selling. 2877

(ii) "Qualified direct selling entity" means an entity 2878  
selling to direct sellers at the time the entity enters into a tax 2879

credit agreement with the tax credit authority pursuant to section 2880  
122.17 of the Revised Code, provided that the agreement was 2881  
entered into on or after January 1, 2007. Neither contingencies 2882  
relevant to the granting of, nor later developments with respect 2883  
to, the tax credit shall impair the status of the qualified direct 2884  
selling entity under division (B)(48) of this section after 2885  
execution of the tax credit agreement by the tax credit authority. 2886

(c) Division (B)(48) of this section is limited to machinery, 2887  
equipment, and software first stored, used, or consumed in this 2888  
state within the period commencing June 24, 2008, and ending on 2889  
the date that is five years after that date. 2890

(49) Sales of materials, parts, equipment, or engines used in 2891  
the repair or maintenance of aircraft or avionics systems of such 2892  
aircraft, and sales of repair, remodeling, replacement, or 2893  
maintenance services in this state performed on aircraft or on an 2894  
aircraft's avionics, engine, or component materials or parts. As 2895  
used in division (B)(49) of this section, "aircraft" means 2896  
aircraft of more than six thousand pounds maximum certified 2897  
takeoff weight or used exclusively in general aviation. 2898

(50) Sales of full flight simulators that are used for pilot 2899  
or flight-crew training, sales of repair or replacement parts or 2900  
components, and sales of repair or maintenance services for such 2901  
full flight simulators. "Full flight simulator" means a replica of 2902  
a specific type, or make, model, and series of aircraft cockpit. 2903  
It includes the assemblage of equipment and computer programs 2904  
necessary to represent aircraft operations in ground and flight 2905  
conditions, a visual system providing an out-of-the-cockpit view, 2906  
and a system that provides cues at least equivalent to those of a 2907  
three-degree-of-freedom motion system, and has the full range of 2908  
capabilities of the systems installed in the device as described 2909  
in appendices A and B of part 60 of chapter 1 of title 14 of the 2910  
Code of Federal Regulations. 2911

(C) For the purpose of the proper administration of this 2912  
chapter, and to prevent the evasion of the tax, it is presumed 2913  
that all sales made in this state are subject to the tax until the 2914  
contrary is established. 2915

(D) The levy of this tax on retail sales of recreation and 2916  
sports club service shall not prevent a municipal corporation from 2917  
levying any tax on recreation and sports club dues or on any 2918  
income generated by recreation and sports club dues. 2919

(E) The tax collected by the vendor from the consumer under 2920  
this chapter is not part of the price, but is a tax collection for 2921  
the benefit of the state, and of counties levying an additional 2922  
sales tax pursuant to section 5739.021 or 5739.026 of the Revised 2923  
Code and of transit authorities levying an additional sales tax 2924  
pursuant to section 5739.023 of the Revised Code. Except for the 2925  
discount authorized under section 5739.12 of the Revised Code and 2926  
the effects of any rounding pursuant to section 5703.055 of the 2927  
Revised Code, no person other than the state or such a county or 2928  
transit authority shall derive any benefit from the collection or 2929  
payment of the tax levied by this section or section 5739.021, 2930  
5739.023, or 5739.026 of the Revised Code. 2931

**Section 2.** That existing sections 717.25, 1710.01, 1710.02, 2932  
1710.06, 1710.07, 4928.01, 4928.64, 5709.53, 5713.30, 5713.34, 2933  
5727.01, 5727.02, 5727.06, 5727.11, 5727.111, 5727.15, 5727.30, 2934  
and 5739.02 of the Revised Code are hereby repealed. 2935