

# As Reported by the House Ways and Means Committee

129th General Assembly

Regular Session

2011-2012

Sub. H. B. No. 18

Representative Baker

Cosponsors: Representatives Adams, J., Beck, Blair, Blessing, Boose,  
Combs, Derickson, Dovilla, Hayes, Henne, Huffman, Pillich, Ruhl, Snitchler,  
Stinziano, Uecker, Letson

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## A B I L L

To amend section 166.03 and to enact section 166.31 1  
of the Revised Code to authorize grants to an 2  
employer that moves operations into a previously 3  
vacant facility and increases payroll by hiring 4  
and employing employees at the facility. 5

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

**Section 1.** That section 166.03 be amended and section 166.31 6  
of the Revised Code be enacted to read as follows: 7

**Sec. 166.03.** (A) There is hereby created the facilities 8  
establishment fund within the state treasury, consisting of 9  
proceeds from the issuance of obligations as specified under 10  
section 166.08 of the Revised Code; the moneys received by the 11  
state from the sources specified in section 166.09 of the Revised 12  
Code; service charges imposed under sections 166.06 and 166.07 of 13  
the Revised Code; any grants, gifts, or contributions of moneys 14  
received by the director of development to be used for loans made 15  
under section 166.07 of the Revised Code or for the payment of the 16  
allowable costs of project facilities; and all other moneys 17



appropriated or transferred to the fund. Moneys in the loan 18  
guarantee fund in excess of the loan guarantee reserve 19  
requirement, but subject to the provisions and requirements of any 20  
guarantee contracts, may be transferred to the facilities 21  
establishment fund by the treasurer of state upon the order of the 22  
director of development. Moneys received by the state under 23  
Chapter 122. of the Revised Code, to the extent allocable to the 24  
utilization of moneys derived from proceeds of the sale of 25  
obligations pursuant to section 166.08 of the Revised Code, shall 26  
be credited to the facilities establishment fund. 27

(B) All moneys appropriated or transferred to the facilities 28  
establishment fund may be released at the request of the director 29  
of development for payment of allowable costs or the making of 30  
loans under section 166.07 or the awarding of grants under section 31  
166.31 of the Revised Code, for transfer to the loan guarantee 32  
fund established in section 166.06 of the Revised Code, or for use 33  
for the purpose of or transfer to the funds established by 34  
sections 122.35, 122.42, 122.54, 122.55, 122.56, 122.561, 122.57, 35  
122.601, and 122.80 of the Revised Code and, until July 1, 2003, 36  
the fund established by section 166.031 of the Revised Code, and, 37  
until July 1, 2007, the fund established by section 122.26 of the 38  
Revised Code, but only for such of those purposes as are within 39  
the authorization of Section 13 of Article VIII, Ohio 40  
Constitution, in all cases subject to the approval of the 41  
controlling board. 42

(C) The department of development, in the administration of 43  
the facilities establishment fund, is encouraged to utilize and 44  
promote the utilization of, to the maximum practicable extent, the 45  
other existing programs, business incentives, and tax incentives 46  
that department is required or authorized to administer or 47  
supervise. 48



Sec. 166.31. (A) For purposes of this section:

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(1) "Vacant commercial space" means space that has been  
unoccupied and available for use in a trade or business for the  
twelve months immediately preceding the lease or purchase date  
described in division (B) of this section, located in either of  
the following:

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(a) A building, seventy-five per cent or more of the square  
footage of which has been unoccupied and available for use in a  
trade or business for the twelve months immediately preceding the  
initial lease or purchase date described in division (B) of this  
section;

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(b) A business park, seventy-five per cent or more of the  
square footage of which has been unoccupied and available for use  
in a trade or business for the twelve months immediately preceding  
the initial lease or purchase date described in division (B) of  
this section.

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For the purpose of determining whether a building, the  
construction of which is not complete, has been unoccupied for the  
required length of time, the building first becomes "unoccupied"  
when its construction discontinues as determined by the person who  
owned the property at that time.

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(2) "Business park" means two or more buildings located on  
the same or adjacent parcels held under common ownership.

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(3) "Building" means a building as defined in section 5701.02  
of the Revised Code the construction of which is at least  
eighty-five per cent complete and that may be lawfully occupied.

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(4) "Qualifying employee" means an employee employed by an  
employer, provided the employee is employed at the vacant  
commercial space for at least one year, employment of the employee  
increases the employer's payroll above the employer's base

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employment threshold, and the employee had not been employed by 79  
the employer within sixty days before the date the employer 80  
purchases or enters into a lease for a vacant commercial space. 81

(5) "Base employment threshold" means the total payroll of 82  
the employer on the date the employer purchases or enters into a 83  
lease for a vacant commercial space. 84

(B) This section does not apply to the federal government, 85  
the state, the state's political subdivisions, or nonprofit 86  
organizations. 87

An employer required to deduct and withhold income tax from 88  
an employee's compensation under section 5747.06 and remit such 89  
amounts under section 5747.07 of the Revised Code may apply to the 90  
director of development for a grant from the facilities 91  
establishment fund, provided that, on or after the effective date 92  
of this section as enacted by H.B. 18 of the 129th general 93  
assembly, the employer occupies under a lease or purchases vacant 94  
commercial space at which the employer employs at least fifty 95  
employees or at least fifty per cent of its employees who are 96  
employed in this state. An employer may qualify for the grant only 97  
once. The amount of the grant awarded under this section shall be 98  
five hundred dollars for each qualifying employee. No grant 99  
application shall be accepted by the director three years or later 100  
after the effective date of this section. 101

The director shall prescribe application materials and 102  
explanations. An employer applying for a grant under this section 103  
shall submit the following with the employer's application to the 104  
director: 105

(1) An affidavit from the person who, in the case of a lease 106  
of vacant commercial space, owns the property or, in the case of a 107  
purchase, is the most recent owner of the property indicating that 108  
the building meets the requirements of a vacant commercial space; 109



(2) Payroll records indicating, for each qualifying employee, 110  
that the employee was employed for one year or longer at the 111  
vacant commercial space; 112

(3) Quarterly reports of wage information submitted by the 113  
employer to the department of job and family services pursuant to 114  
section 4141.20 of the Revised Code indicating the employer's 115  
qualifying employees and the employer's base employment threshold. 116

Upon receipt of an application, the director shall review the 117  
application and attached materials and approve the application if, 118  
to the director's satisfaction, the employer fulfills all the 119  
grant requirements of this section, and if, in the judgement of 120  
the director, the unencumbered balance in the facilities 121  
establishment fund is sufficient to fund the amount of the grant. 122  
Upon approval of a grant application, the director shall authorize 123  
the award of the grant from the facilities establishment fund to 124  
the employer. If the director finds that the unencumbered balance 125  
in the facilities establishment fund is not sufficient to fund a 126  
grant under this section and the grant applicant otherwise 127  
qualifies, the director shall forward the application to the 128  
director or chief executive of any entity authorized or charged by 129  
law to perform job creation and other economic development 130  
functions for this state. 131

Upon receipt of the application, the director or chief 132  
executive of the entity shall authorize the award of the grant 133  
from funds available to that entity from any portion of the 134  
unencumbered funds available to the entity that may be used for 135  
such purpose. 136

An employer receiving a grant under this section from the 137  
facilities establishment fund must use the grant for the 138  
acquisition, construction, enlargement, improvement, or equipment, 139  
of property, structures, equipment, and facilities used by the 140  
employer in business at the vacant commercial space occupied by 141



the employer. 142

(C) An employer may claim a grant under this section with 143  
respect to a building, the construction of which is not complete, 144  
only if the employer submits both of the following with the 145  
employer's application: 146

(1) A copy of a certificate from the appropriate building 147  
authority indicating that the building is at least eighty-five per 148  
cent complete and that the building may lawfully be occupied; 149

(2) An affidavit from the person who owned the property at 150  
the time construction discontinued indicating the date 151  
construction discontinued. 152

**Section 2.** That existing section 166.03 of the Revised Code 153  
is hereby repealed. 154