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Sub. S. B. No. 235

Senators Beagle, Coley

Cosponsors: Senators Eklund, Patton, Seitz Representatives Sprague, Anielski, Antonio, Driehaus, Grossman, Reineke, Schuring, Sheehy, Smith, K., Smith, R., Strahorn, Sweeney, Young, Speaker Rosenberger

A BILL

To amend sections 122.121, 149.311, 339.02, 339.05, 1
749.07, 749.18, 951.02, 951.13, 1711.50, 2
1711.57, 4141.01, 4141.25, 4141.30, 4727.02, 3
4727.03, 4727.06, 4727.10, 4727.11, 4727.12, 4
4727.19, 4727.20, 5709.20, 5709.45, 5726.01, 5
5739.02, and 5739.03, to enact sections 718.60, 6
4175.01, 4175.02, 4175.03, 4175.04, 4175.05, 7
4175.06, 4175.07, 4175.08, and 5709.52 of the 8
Revised Code, and to repeal Section 4 of Sub. 9
H.B. 5 of the 130th General Assembly to 10
authorize political subdivisions to exempt from 11
property taxation the increased value of 12
property on which industrial or commercial 13
development is planned for up to six years, to 14
make changes to Ohio's unemployment compensation 15
law, and to modify laws governing other state 16
and local government authority and operations. 17

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

Section 1. That sections 122.121, 149.311, 339.02, 339.05, 18
749.07, 749.18, 951.02, 951.13, 1711.50, 1711.57, 4141.01, 19
4141.25, 4141.30, 4727.02, 4727.03, 4727.06, 4727.10, 4727.11, 20
4727.12, 4727.19, 4727.20, 5709.20, 5709.45, 5726.01, 5739.02, 21
and 5739.03 be amended and sections 718.60, 4175.01, 4175.02, 22
4175.03, 4175.04, 4175.05, 4175.06, 4175.07, 4175.08, and 23
5709.52 of the Revised Code be enacted to read as follows: 24

Sec. 122.121. (A) If a local organizing committee, 25
endorsing municipality, or endorsing county enters into a 26
joinder undertaking with a site selection organization, the 27
local organizing committee, endorsing municipality, or endorsing 28
county may apply to the director of development services, on a 29
form and in the manner prescribed by the director, for a grant 30
based on the projected incremental increase in the receipts from 31
the tax imposed under section 5739.02 of the Revised Code within 32
the market area designated under division (C) of this section, 33
for the two-week period that ends at the end of the day after 34
the date on which a game will be held, that is directly 35
attributable, as determined by the director, to the preparation 36
for and presentation of the game. The director shall determine 37
the projected incremental increase in the tax imposed under 38
section 5739.02 of the Revised Code by using a formula approved 39
by the destination marketing association international for event 40
impact or another formula of similar purpose approved by the 41
director. The local organizing committee, endorsing 42
municipality, or endorsing county is eligible to receive a grant 43
under this section only if the projected incremental increase in 44
receipts from the tax imposed under section 5739.02 of the 45
Revised Code, as determined by the director, exceeds two hundred 46
fifty thousand dollars. The amount of the grant shall be not 47
less than fifty per cent of the projected incremental increase 48

in receipts, as determined by the director, but shall not exceed 49
five hundred thousand dollars. The director shall not issue 50
grants with a total value of more than one million dollars in 51
any fiscal year, and shall not issue any grant before July 1, 52
2013. 53

(B) If the director of development services approves an 54
application for a local organizing committee, endorsing 55
municipality, or endorsing county and that local organizing 56
committee, endorsing municipality, or endorsing county enters 57
into a joinder agreement with a site selection organization, the 58
local organizing committee, endorsing municipality, or endorsing 59
county shall file a copy of the joinder agreement with the 60
director. The grant shall be used exclusively by the local 61
organizing committee, endorsing municipality, or endorsing 62
county to fulfill a portion of its obligations to a site 63
selection organization under game support contracts, which 64
obligations may include the payment of costs relating to the 65
preparations necessary for the conduct of the game, including 66
acquiring, renovating, or constructing facilities; to pay the 67
costs of conducting the game; and to assist the local organizing 68
committee, endorsing municipality, or endorsing county in 69
providing assurances required by a site selection organization 70
sponsoring one or more games. 71

(C) For the purposes of division (A) of this section, the 72
director of development services, in consultation with the tax 73
commissioner, shall designate the market area for a game. The 74
market area shall consist of the combined statistical area, as 75
defined by the United States office of management and budget, in 76
which an endorsing municipality or endorsing county is located. 77

(D) A local organizing committee, endorsing municipality, 78

or endorsing county shall provide information required by the 79
director of development services and tax commissioner to enable 80
the director and commissioner to fulfill their duties under this 81
section, including annual audited statements of any financial 82
records required by a site selection organization and data 83
obtained by the local organizing committee, endorsing 84
municipality, or endorsing county relating to attendance at a 85
game and to the economic impact of the game. A local organizing 86
committee, an endorsing municipality, or an endorsing county 87
shall provide an annual audited financial statement if so 88
required by the director and commissioner, not later than the 89
end of the fourth month after the date the period covered by the 90
financial statement ends. 91

(E) Within thirty days after the game, the local 92
organizing committee, endorsing municipality, or endorsing 93
county shall report to the director of development services 94
about the economic impact of the game. The report shall be in 95
the form and substance required by the director, including, but 96
not limited to, a final income statement for the event showing 97
total revenue and expenditures and revenue and expenditures in 98
the market area for the game, and ticket sales for the game and 99
any related activities for which admission was charged. The 100
director shall determine, based on the reported information and 101
the exercise of reasonable judgment, the incremental increase in 102
receipts from the tax imposed under section 5739.02 of the 103
Revised Code directly attributable to the game. If the actual 104
incremental increase in such receipts is less than the projected 105
incremental increase in receipts, the director may require the 106
local organizing committee, endorsing municipality, or endorsing 107
county to refund to the state all or a portion of the grant. 108

(F) No disbursement may be made under this section if the 109

director of development services determines that it would be 110
used for the purpose of soliciting the relocation of a 111
professional sports franchise located in this state. 112

(G) This section may not be construed as creating or 113
requiring a state guarantee of obligations imposed on an 114
endorsing municipality or endorsing county under a game support 115
contract or any other agreement relating to hosting one or more 116
games in this state. 117

(H) Beginning in fiscal year 2018 and in each fiscal year 118
thereafter, an amount equal to the unexpended, unencumbered 119
balance of the immediately preceding fiscal year's appropriation 120
for grants awarded under this section is hereby reappropriated 121
to the development services agency for the same purpose for the 122
current fiscal year. 123

Sec. 149.311. (A) As used in this section: 124

(1) "Historic building" means a building, including its 125
structural components, that is located in this state and that is 126
either individually listed on the national register of historic 127
places under 16 U.S.C. 470a, located in a registered historic 128
district, and certified by the state historic preservation 129
officer as being of historic significance to the district, or is 130
individually listed as an historic landmark designated by a 131
local government certified under 16 U.S.C. 470a(c). 132

(2) "Qualified rehabilitation expenditures" means 133
expenditures paid or incurred during the rehabilitation period, 134
and before and after that period as determined under 26 U.S.C. 135
47, by an owner or qualified lessee of an historic building to 136
rehabilitate the building. "Qualified rehabilitation 137
expenditures" includes architectural or engineering fees paid or 138

incurred in connection with the rehabilitation, and expenses	139
incurred in the preparation of nomination forms for listing on	140
the national register of historic places. "Qualified	141
rehabilitation expenditures" does not include any of the	142
following:	143
(a) The cost of acquiring, expanding, or enlarging an	144
historic building;	145
(b) Expenditures attributable to work done to facilities	146
related to the building, such as parking lots, sidewalks, and	147
landscaping;	148
(c) New building construction costs.	149
(3) "Owner" of an historic building means a person holding	150
the fee simple interest in the building. "Owner" does not	151
include the state or a state agency, or any political	152
subdivision as defined in section 9.23 of the Revised Code.	153
(4) "Qualified lessee" means a person subject to a lease	154
agreement for an historic building and eligible for the federal	155
rehabilitation tax credit under 26 U.S.C. 47. "Qualified lessee"	156
does not include the state or a state agency or political	157
subdivision as defined in section 9.23 of the Revised Code.	158
(5) "Certificate owner" means the owner or qualified	159
lessee of an historic building to which a rehabilitation tax	160
credit certificate was issued under this section.	161
(6) "Registered historic district" means an historic	162
district listed in the national register of historic places	163
under 16 U.S.C. 470a, an historic district designated by a local	164
government certified under 16 U.S.C. 470a(c), or a local	165
historic district certified under 36 C.F.R. 67.8 and 67.9.	166

(7) "Rehabilitation" means the process of repairing or 167
altering an historic building or buildings, making possible an 168
efficient use while preserving those portions and features of 169
the building and its site and environment that are significant 170
to its historic, architectural, and cultural values. 171

(8) "Rehabilitation period" means one of the following: 172

(a) If the rehabilitation initially was not planned to be 173
completed in stages, a period chosen by the owner or qualified 174
lessee not to exceed twenty-four months during which 175
rehabilitation occurs; 176

(b) If the rehabilitation initially was planned to be 177
completed in stages, a period chosen by the owner or qualified 178
lessee not to exceed sixty months during which rehabilitation 179
occurs. Each stage shall be reviewed as a phase of a 180
rehabilitation as determined under 26 C.F.R. 1.48-12 or a 181
successor to that section. 182

(9) "State historic preservation officer" or "officer" 183
means the state historic preservation officer appointed by the 184
governor under 16 U.S.C. 470a. 185

(10) "Catalytic project" means the rehabilitation of an 186
historic building, the rehabilitation of which will foster 187
economic development within two thousand five hundred feet of 188
the historic building. 189

(B) The owner or qualified lessee of an historic building 190
may apply to the director of development services for a 191
rehabilitation tax credit certificate for qualified 192
rehabilitation expenditures paid or incurred by such owner or 193
qualified lessee after April 4, 2007, for rehabilitation of an 194
historic building. If the owner of an historic building enters a 195

pass-through agreement with a qualified lessee for the purposes 196
of the federal rehabilitation tax credit under 26 U.S.C. 47, the 197
qualified rehabilitation expenditures paid or incurred by the 198
owner after April 4, 2007, may be attributed to the qualified 199
lessee. 200

The form and manner of filing such applications shall be 201
prescribed by rule of the director. Each application shall state 202
the amount of qualified rehabilitation expenditures the 203
applicant estimates will be paid or incurred. The director may 204
require applicants to furnish documentation of such estimates. 205

The director, after consultation with the tax commissioner 206
and in accordance with Chapter 119. of the Revised Code, shall 207
adopt rules that establish all of the following: 208

(1) Forms and procedures by which applicants may apply for 209
rehabilitation tax credit certificates; 210

(2) Criteria for reviewing, evaluating, and approving 211
applications for certificates within the limitations under 212
division (D) of this section, criteria for assuring that the 213
certificates issued encompass a mixture of high and low 214
qualified rehabilitation expenditures, and criteria for issuing 215
certificates under division (C) (3) (b) of this section; 216

(3) Eligibility requirements for obtaining a certificate 217
under this section; 218

(4) The form of rehabilitation tax credit certificates; 219

(5) Reporting requirements and monitoring procedures; 220

(6) Procedures and criteria for conducting cost-benefit 221
analyses of historic buildings that are the subjects of 222
applications filed under this section. The purpose of a cost- 223

benefit analysis shall be to determine whether rehabilitation of 224
the historic building will result in a net revenue gain in state 225
and local taxes once the building is used. 226

(7) Any other rules necessary to implement and administer 227
this section. 228

(C) The director of development services shall review the 229
applications with the assistance of the state historic 230
preservation officer and determine whether all of the following 231
criteria are met: 232

(1) That the building that is the subject of the 233
application is an historic building and the applicant is the 234
owner or qualified lessee of the building; 235

(2) That the rehabilitation will satisfy standards 236
prescribed by the United States secretary of the interior under 237
16 U.S.C. 470, et seq., as amended, and 36 C.F.R. 67.7 or a 238
successor to that section; 239

(3) That receiving a rehabilitation tax credit certificate 240
under this section is a major factor in: 241

(a) The applicant's decision to rehabilitate the historic 242
building; or 243

(b) To increase the level of investment in such 244
rehabilitation. 245

An applicant shall demonstrate to the satisfaction of the 246
state historic preservation officer and director of development 247
services that the rehabilitation will satisfy the standards 248
described in division (C) (2) of this section before the 249
applicant begins the physical rehabilitation of the historic 250
building. 251

(D) (1) If the director of development services determines 252
that an application meets the criteria in divisions (C) (1), (2), 253
and (3) of this section, the director shall conduct a cost- 254
benefit analysis for the historic building that is the subject 255
of the application to determine whether rehabilitation of the 256
historic building will result in a net revenue gain in state and 257
local taxes once the building is used. The director shall 258
consider the results of the cost-benefit analysis in determining 259
whether to approve the application. The director shall also 260
consider the potential economic impact and the regional 261
distributive balance of the credits throughout the state. The 262
director may approve an application only after completion of the 263
cost-benefit analysis. 264

(2) A rehabilitation tax credit certificate shall not be 265
issued for an amount greater than the estimated amount furnished 266
by the applicant on the application for such certificate and 267
approved by the director. The director shall not approve more 268
than a total of sixty million dollars of rehabilitation tax 269
credits per fiscal year but the director may reallocate unused 270
tax credits from a prior fiscal year for new applicants and such 271
reallocated credits shall not apply toward the dollar limit of 272
this division. 273

(3) For rehabilitations with a rehabilitation period not 274
exceeding twenty-four months as provided in division (A) (8) (a) 275
of this section, a rehabilitation tax credit certificate shall 276
not be issued before the rehabilitation of the historic building 277
is completed. 278

(4) For rehabilitations with a rehabilitation period not 279
exceeding sixty months as provided in division (A) (8) (b) of this 280
section, a rehabilitation tax credit certificate shall not be 281

issued before a stage of rehabilitation is completed. After all 282
stages of rehabilitation are completed, if the director cannot 283
determine that the criteria in division (C) of this section are 284
satisfied for all stages of rehabilitations, the director shall 285
certify this finding to the tax commissioner, and any 286
rehabilitation tax credits received by the applicant shall be 287
repaid by the applicant and may be collected by assessment as 288
unpaid tax by the commissioner. 289

(5) The director of development services shall require the 290
applicant to provide a third-party cost certification by a 291
certified public accountant of the actual costs attributed to 292
the rehabilitation of the historic building when qualified 293
rehabilitation expenditures exceed two hundred thousand dollars. 294

If an applicant whose application is approved for receipt 295
of a rehabilitation tax credit certificate fails to provide to 296
the director sufficient evidence of reviewable progress, 297
including a viable financial plan, copies of final construction 298
drawings, and evidence that the applicant has obtained all 299
historic approvals within twelve months after the date the 300
applicant received notification of approval, and if the 301
applicant fails to provide evidence to the director that the 302
applicant has secured and closed on financing for the 303
rehabilitation within eighteen months after receiving 304
notification of approval, the director may rescind the approval 305
of the application. The director shall notify the applicant if 306
the approval has been rescinded. Credits that would have been 307
available to an applicant whose approval was rescinded shall be 308
available for other qualified applicants. Nothing in this 309
division prohibits an applicant whose approval has been 310
rescinded from submitting a new application for a rehabilitation 311
tax credit certificate. 312

(6) The director of development services may approve the 313
application of, and issue a rehabilitation tax credit 314
certificate to, the owner of a catalytic project, provided the 315
application otherwise meets the criteria described in divisions 316
(C) and (D) of this section. The director may not ~~issue~~ approve 317
more than one application for a rehabilitation tax credit 318
certificate under division (D) (6) of this section during each 319
state fiscal biennium. The director shall not approve an 320
application for a rehabilitation tax credit certificate under 321
division (D) (6) of this section during the state fiscal biennium 322
beginning July 1, 2017, or during any state fiscal biennium 323
thereafter. The director shall consider the following criteria 324
in determining whether to ~~issue~~ approve an application for a 325
certificate under division (D) (6) of this section: 326

(a) Whether the historic building is a catalytic project; 327

(b) The effect issuance of the certificate would have on 328
the availability of credits for other applicants that qualify 329
for a credit certificate within the credit dollar limit 330
described in division (D) (2) of this section; 331

(c) The number of jobs, if any, the catalytic project will 332
create. 333

(7) (a) The owner or qualified lessee of a historic 334
building may apply for a rehabilitation tax credit certificate 335
under both divisions (B) and (D) (6) of this section. In such a 336
case, the director of development services shall consider each 337
application at the time the application is submitted. 338

(b) The director of development services shall not issue 339
more than one certificate under this section with respect to the 340
same qualified rehabilitation expenditures. 341

(E) Issuance of a certificate represents a finding by the 342
director of development services of the matters described in 343
divisions (C) (1), (2), and (3) of this section only; issuance of 344
a certificate does not represent a verification or certification 345
by the director of the amount of qualified rehabilitation 346
expenditures for which a tax credit may be claimed under section 347
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 348
Revised Code. The amount of qualified rehabilitation 349
expenditures for which a tax credit may be claimed is subject to 350
inspection and examination by the tax commissioner or employees 351
of the commissioner under section 5703.19 of the Revised Code 352
and any other applicable law. Upon the issuance of a 353
certificate, the director shall certify to the tax commissioner, 354
in the form and manner requested by the tax commissioner, the 355
name of the applicant, the amount of qualified rehabilitation 356
expenditures shown on the certificate, and any other information 357
required by the rules adopted under this section. 358

(F) (1) On or before the first day of August each year, the 359
director of development services and tax commissioner jointly 360
shall submit to the president of the senate and the speaker of 361
the house of representatives a report on the tax credit program 362
established under this section and sections 5725.151, 5725.34, 363
5726.52, 5729.17, 5733.47, and 5747.76 of the Revised Code. The 364
report shall present an overview of the program and shall 365
include information on the number of rehabilitation tax credit 366
certificates issued under this section during the preceding 367
fiscal year, an update on the status of each historic building 368
for which an application was approved under this section, the 369
dollar amount of the tax credits granted under sections 370
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 371
Revised Code, and any other information the director and 372

commissioner consider relevant to the topics addressed in the 373
report. 374

(2) On or before December 1, 2015, the director of 375
development services and tax commissioner jointly shall submit 376
to the president of the senate and the speaker of the house of 377
representatives a comprehensive report that includes the 378
information required by division (F) (1) of this section and a 379
detailed analysis of the effectiveness of issuing tax credits 380
for rehabilitating historic buildings. The report shall be 381
prepared with the assistance of an economic research 382
organization jointly chosen by the director and commissioner. 383

(G) There is hereby created in the state treasury the 384
historic rehabilitation tax credit operating fund. The director 385
of development services is authorized to charge reasonable 386
application and other fees in connection with the administration 387
of tax credits authorized by this section and sections 5725.151, 388
5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the Revised 389
Code. Any such fees collected shall be credited to the fund and 390
used to pay reasonable costs incurred by the department of 391
development services in administering this section and sections 392
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, and 5747.76 of the 393
Revised Code. 394

The Ohio historic preservation office is authorized to 395
charge reasonable fees in connection with its review and 396
approval of applications under this section. Any such fees 397
collected shall be credited to the fund and used to pay 398
administrative costs incurred by the Ohio historic preservation 399
office pursuant to this section. 400

(H) Notwithstanding sections 5725.151, 5725.34, 5726.52, 401
5729.17, 5733.47, and 5747.76 of the Revised Code, the 402

certificate owner of a tax credit certificate issued under 403
division (D) (6) of this section may claim a tax credit equal to 404
twenty-five per cent of the dollar amount indicated on the 405
certificate for a total credit of not more than twenty-five 406
million dollars. The credit claimed by such a certificate owner 407
for any calendar year, tax year, or taxable year under section 408
5725.151, 5725.34, 5726.52, 5729.17, 5733.47, or 5747.76 of the 409
Revised Code shall not exceed five million dollars. If the 410
certificate owner is eligible for more than five million dollars 411
in total credits, the certificate owner may carry forward the 412
balance of the credit in excess of the amount claimed for that 413
year for not more than five ensuing calendar years, tax years, 414
or taxable years. If the credit claimed in any calendar year, 415
tax year, or taxable year exceeds the tax otherwise due, the 416
excess shall be refunded to the taxpayer. 417

(I) The director of development services, in consultation 418
with the director of budget and management, shall develop and 419
adopt a system of tracking any information necessary to 420
anticipate the impact of credits issued under this section on 421
tax revenues for current and future fiscal years. Such 422
information may include the number of applications approved, the 423
estimated rehabilitation expenditures and rehabilitation period 424
associated with such applications, the number and amount of tax 425
credit certificates issued, and any other information the 426
director of budget and management requires for the purposes of 427
this division. 428

Sec. 339.02. (A) As used in this section, "area served by 429
the hospital" means the geographic area, whether or not included 430
within the county, from which a county hospital regularly draws 431
patients. 432

(B) Unless a board of county hospital trustees for the 433
county is in existence in accordance with this section, such 434
board shall be created pursuant to this section after the board 435
of county commissioners first determines by resolution to 436
establish a county hospital. Copies of such resolution shall be 437
certified to the probate judge of the county senior in point of 438
service and to the judge, other than a probate judge, of the 439
court of common pleas of the county senior in point of service. 440
The board of county commissioners together with the probate 441
judge of the county senior in point of service and the judge of 442
the court of common pleas of the county senior in point of 443
service shall, within ten days after such certification, appoint 444
a board of county hospital trustees. 445

(C) In making appointments to a board of county hospital 446
trustees, both of the following apply with respect to the 447
individuals who may be appointed: 448

(1) Members shall be electors and representative of the 449
area served by the hospital, except that not more than two 450
members may be electors of the area served by the hospital that 451
is outside the county in which the hospital is located. 452

(2) A physician may serve as a member, including a 453
physician who is authorized to admit and treat patients at the 454
hospital, except as follows: 455

(a) Not more than two physicians may serve as members at 456
the same time; 457

(b) No physician who is employed by the hospital may serve 458
as a member. 459

(D) A board of county hospital trustees shall be composed 460
of six members, unless the board of county commissioners 461

determines that the board of trustees can more effectively 462
function with eight or ten members in which case there may be 463
eight or ten members, as designated by the board of county 464
commissioners. 465

(E) With respect to the initial appointment of members to 466
a board of county hospital trustees, all of the following apply: 467

(1) When the board is composed of six members, their terms 468
of office shall be one for one year, one for two years, one for 469
three years, one for four years, one for five years, and one for 470
six years from the first Monday of March thereafter. 471

(2) When the board is composed of eight members, their 472
terms of office shall be one for one year, one for two years, 473
two for three years, one for four years, one for five years, and 474
two for six years from the first Monday of March thereafter. 475

(3) When the board is composed of ten members, their terms 476
of office shall be two for one year, one for two years, two for 477
three years, two for four years, one for five years, and two for 478
six years from the first Monday of March thereafter. 479

(F) Except as provided in division (G) (2) of this section, 480
all of the following apply with respect to vacancies on a board 481
of county hospital trustees: 482

(1) Annually, on the first Monday of March, the board of 483
county commissioners together with the probate judge of the 484
county senior in point of service and the judge of the court of 485
common pleas of the county senior in point of service shall 486
appoint or reappoint for a term of six years a sufficient number 487
of members to replace those members whose terms have expired. 488

(2) The appointing authority shall fill a vacancy not 489
later than six months after the vacancy occurs. If the vacancy 490

remains unfilled on that date, the remaining members of the 491
board, by majority vote, shall appoint an individual to fill the 492
vacancy. 493

(3) The appointing authority may fill a vacancy by seeking 494
nominations from a selection committee consisting of one county 495
commissioner designated by the board of county commissioners, 496
the chair of the board of county hospital trustees, and the 497
county hospital administrator. If nominations for filling a 498
vacancy are sought from a selection committee, the committee 499
shall nominate at least three individuals for the vacancy. The 500
appointing authority may fill the vacancy by appointing one of 501
the nominated individuals or by appointing another individual 502
selected by the appointing authority. 503

(4) Any member appointed to fill a vacancy occurring prior 504
to the expiration date of the term for which the member's 505
predecessor was appointed shall hold office as a member for the 506
remainder of that term. 507

(G) (1) The board of county commissioners together with the 508
probate judge senior in point of service and the judge of the 509
court of common pleas senior in point of service in any county 510
in which a board of county hospital trustees has been appointed 511
may expand the number of members to eight or to ten. When the 512
number of members is increased to eight, one shall be appointed 513
for a three-year and one for a six-year term from the first 514
Monday of March thereafter. When the number of members is 515
increased from six to ten, the term for additional members shall 516
be: one for one year, one for three years, one for four years, 517
and one for six years from the first Monday of March thereafter. 518
When the number of members is increased from eight to ten, the 519
term for additional members shall be: one for one year and one 520

for four years from the first Monday of March thereafter. 521
Thereafter, except as provided in division (G) (2) of this 522
section, upon the expiration of the term of office of each 523
member, the vacancy shall be filled in the manner specified in 524
division (F) of this section. 525

(2) The board of county commissioners together with the 526
probate judge senior in point of service and the judge of the 527
court of common pleas senior in point of service may reduce the 528
number of members of a board of county hospital trustees to 529
eight or to six. The reduction shall occur on expiration of a 530
member's term of office, at which time no appointment shall be 531
made. While the board of county commissioners and the judges are 532
in the process of reducing the number of members, the board of 533
county hospital trustees may consist of nine or seven members 534
for one year. 535

(H) Any member of a board of county hospital trustees may 536
be removed from office by the appointing authority for neglect 537
of duty, misconduct, or malfeasance in office. The member shall 538
be informed in writing of the charges and afforded an 539
opportunity for a hearing before the appointing authority. The 540
appointing authority shall not remove a member from office for 541
political reasons. 542

(I) The board of county commissioners may provide members 543
of a board of county hospital trustees a stipend for their 544
service or require the members to serve without compensation. 545
The members shall be allowed their necessary and reasonable 546
expenses incurred in the performance of their duties, including 547
the cost of their participation in any continuing education 548
programs or developmental programs that the members consider 549
necessary. Allowable stipends and expenses shall be paid out of 550

the funds provided for the county hospital. 551

(J) The persons selected to be members of a board of 552
county hospital trustees shall forthwith be notified, by mail, 553
of their appointment. When a board is initially appointed, the 554
notice shall state a time, not more than ten days later, when 555
such board shall meet at the county seat of such county to 556
organize. On the date stated, the board shall meet and organize. 557

(K) A board of county hospital trustees shall organize by 558
electing one of its number as chairperson and such other 559
officers as specified in the board's rules. Four members of a 560
six-member board constitute a quorum, five members constitute a 561
quorum of an eight-member board, and six members constitute a 562
quorum of a ten-member board. 563

A board of county hospital trustees shall hold meetings at 564
least quarterly, shall adopt necessary rules of procedure, and 565
shall keep a record of its proceedings and a strict account of 566
all its receipts, disbursements, and expenditures. On completion 567
of the construction and equipping of a county hospital, the 568
board shall file such account with the board of county 569
commissioners and make final settlement with the board of county 570
commissioners for the construction and equipping of the 571
hospital. 572

Members of the board of county hospital trustees may 573
attend board meetings by means of communications equipment 574
authorized under this division by rule of the board, including 575
by video conference or teleconference. Notwithstanding division 576
(C) of section 121.22 of the Revised Code, board members who 577
attend a board meeting by means of authorized communications 578
equipment shall be considered present in person at the meeting, 579
shall be permitted to vote, and shall be counted for purposes of 580

determining whether a quorum is present at the meeting. 581

The board of county hospital trustees shall maintain a 582
record of any vote or other action taken at a board meeting 583
conducted by means of authorized communications equipment. The 584
record also shall identify the members attending the board 585
meeting by means of authorized communications equipment. 586

The board of county hospital trustees shall adopt rules 587
designating the communications equipment that is authorized for 588
use during board meetings. The board also shall adopt rules that 589
establish procedures and guidelines for using authorized 590
communications equipment during board meetings and that ensure 591
verification of the identity of any board members attending 592
board meetings by such means. 593

Sec. 339.05. (A) A board of county hospital trustees may 594
adopt, annually, bidding procedures and purchasing or leasing 595
policies provided through a joint purchasing arrangement 596
sponsored by a nonprofit organization, for services, supplies, 597
and equipment, that are routinely used in the operation of the 598
hospital and that cost in excess of the amount specified in 599
section 307.86 of the Revised Code as the amount above which 600
purchases must be competitively bid. If a board of county 601
hospital trustees adopts those policies and procedures, and if 602
the board of county commissioners approves them, the board of 603
county hospital trustees may follow those policies and 604
procedures in lieu of following the competitive bidding 605
procedures of sections 307.86 to 307.92 of the Revised Code. 606

(B) Notwithstanding section 307.86 of the Revised Code, 607
the board of county hospital trustees is exempt from competitive 608
bidding as required under that section if the board, by a 609
unanimous vote of its members, makes a determination that a real 610

and present emergency exists, and either of the following 611
applies: 612

(1) The estimated cost is less than one hundred thousand 613
dollars. 614

(2) There is actual physical damage to structures or 615
equipment. 616

The board shall enter the determination of emergency and 617
the reasons for it in the minutes of its proceedings. 618

(C) For purposes of this section, a vote is unanimous if 619
all members of a board of county hospital trustees are present, 620
or a lesser number of members of the board if not all members 621
are present, provided that the number of members present 622
constitutes a quorum. Board members participating in a vote by 623
means of authorized communications equipment in accordance with 624
section 339.02 of the Revised Code are considered to be present 625
in person and may vote on matters under this section. 626

(D) Whenever a contract of purchase, lease, or 627
construction is exempted from competitive bidding because the 628
estimated cost is less than one hundred thousand dollars, but 629
the estimated cost is fifty thousand dollars or more, the board 630
shall solicit informal estimates from not fewer than three 631
persons who could perform the contract, before awarding the 632
contract. With regard to each such contract, the board shall 633
maintain a record of the informal estimates, including the name 634
of each person from whom an informal estimate was solicited. The 635
board shall maintain the record for the longer of at least one 636
year after the contract is awarded or an amount of time required 637
by the federal government. 638

Sec. 718.60. (A) There is hereby created the municipal 639

income tax net operating loss review committee for the purpose 640
of evaluating and quantifying the potential fiscal impact to 641
municipal corporations levying an income tax of requiring such 642
municipal corporations to allow taxpayers to carry forward net 643
operating losses for five years. The committee is a public body 644
for the purposes of section 121.22 of the Revised Code. 645

(B) The committee shall be composed of the following 646
members: 647

(1) Two members of the house of representatives who are 648
not of the same political party, appointed by the speaker of the 649
house of representatives; 650

(2) Two members of the senate who are not of the same 651
political party, appointed by the president of the senate; 652

(3) Three members representing municipal income taxpayers, 653
appointed by the speaker of the house of representatives; 654

(4) Three members representing municipal corporations that 655
levy an income tax in calendar year 2016, appointed by the 656
president of the senate. At least two of the members appointed 657
under division (B)(4) of this section shall represent municipal 658
corporations that do not allow taxpayers to carry forward net 659
operating losses to future taxable years. 660

(5) One member appointed by the governor, who shall serve 661
as the chairperson of the committee. 662

An appointed member shall serve until the member resigns 663
or is removed by the member's appointing authority. Vacancies 664
shall be filled in the same manner as original appointments. A 665
vacancy on the committee does not impair the right of the other 666
members to exercise all the functions of the committee. 667

The committee shall meet at the call of the chairperson. 668
The presence of a majority of the members of the committee 669
constitutes a quorum for the conduct of business of the 670
committee. The concurrence of at least a majority of the members 671
of the committee is necessary to approve the report issued by 672
the committee under division (D) of this section. Members of the 673
committee shall not be compensated or reimbursed for members' 674
expenses. 675

(C) (1) As used in this section, "reporting municipal 676
corporation" means any municipal corporation that does not allow 677
net operating losses incurred before January 1, 2017, to be 678
carried forward and utilized to offset income or net profit 679
generated in such municipal corporation in future taxable years. 680

(2) On or before August 31, 2021, each reporting municipal 681
corporation shall report to the municipal income tax net 682
operating loss review committee the difference between (a) the 683
municipal corporation's actual municipal income tax revenue 684
received for taxable years ending in 2018 and 2019 and (b) the 685
projected amount of municipal income tax revenue that the 686
municipal corporation would have received for taxable years 687
ending in 2018 and 2019 if the municipal corporation were not 688
required to allow net operating losses incurred in prior taxable 689
years to be carried forward to taxable years ending in 2018 or 690
2019. Each municipal corporation's calculations shall be made 691
using the microsimulation model adopted by the committee at its 692
meeting on May 5, 2016, but applied to taxable years ending in 693
2018 and 2019. 694

(D) The municipal income tax net operating loss review 695
committee shall review the information reported by municipal 696
corporations under division (C) of this section and calculate 697

the total of the revenue effects reported by such municipal 698
corporations. On or before May 1, 2022, the committee shall 699
issue a written report to the speaker and minority leader of the 700
house of representatives and the president and minority leader 701
of the senate reporting the committee's findings and the 702
estimated revenue impact of requiring municipal corporations 703
levying an income tax to allow net operating loss to be carried 704
forward for five years. The report shall contain recommendations 705
to address revenue shortfalls, which may include, but which 706
shall not be limited to, the use of supplemental funds from the 707
local government fund to mitigate those shortfalls. 708

(E) Nothing in this section delays or otherwise affects 709
the taxable years to which division (E)(8) of section 718.01 of 710
the Revised Code applies as prescribed in that division. 711

(F) The municipal income tax net operating loss review 712
committee shall cease to exist on May 1, 2022. 713

Sec. 749.07. The board of hospital commissioners shall 714
hold regular meetings at such time and place as is agreed upon, 715
and shall keep a complete record of its proceedings. No contract 716
which the board enters into shall be valid until concurred in at 717
a regular meeting by a majority of all the members thereof, and 718
such concurrence entered on the minutes of its proceedings. 719

Members of the board of hospital commissioners may attend 720
board meetings by means of communications equipment authorized 721
under this section by rule of the board, including by video 722
conference or teleconference. Notwithstanding division (C) of 723
section 121.22 of the Revised Code, board members who attend a 724
board meeting by means of authorized communications equipment 725
shall be considered present in person at the meeting, shall be 726
permitted to vote, and shall be counted for purposes of 727

determining whether a quorum is present at the meeting. 728

The board of hospital commissioners shall maintain a 729
record of any vote or other action taken at a board meeting 730
conducted by means of authorized communications equipment. The 731
record also shall identify the members attending the board 732
meeting by means of authorized communications equipment. 733

The board of hospital commissioners shall adopt rules 734
designating the communications equipment that is authorized for 735
use during board meetings. The board also shall adopt rules that 736
establish procedures and guidelines for using authorized 737
communications equipment during board meetings and that ensure 738
verification of the identity of any board members attending 739
board meetings by such means. 740

Sec. 749.18. If an agreement under section 749.16 of the 741
Revised Code concerns or includes participation of a joint 742
township hospital district, or of a county, in the maintenance 743
and operation of a municipal hospital, the municipal corporation 744
may establish a board of governors to exercise, subject to such 745
further limitations as are imposed by the agreement, the powers 746
vested in the board of hospital commissioners, provided that any 747
such limitations shall not deny the board of governors the 748
authority to retain counsel, to institute legal action in its 749
own name, or to employ any other lawful means, for the 750
collection of delinquent accounts. The board of governors may 751
include in its membership representatives of a participating 752
district who are electors of the district, or of a participating 753
county who are electors of that county or an adjacent county, as 754
are provided for in the agreement. 755

Except as otherwise provided in this section, the 756
municipal members of the board of governors shall consist of the 757

mayor and at least three resident freeholders of the municipal 758
corporation, at least one of whom shall be a doctor of medicine, 759
to be appointed by the mayor with the consent of the legislative 760
authority. However, if necessary to secure qualified individuals 761
to serve on the board of governors, the municipal members of the 762
board may be residents of the county in which the municipal 763
corporation is located or of an adjacent county. 764

The term of office of municipal members of the board of 765
governors shall be as provided in section 749.05 of the Revised 766
Code and vacancies on the board with respect to those members 767
shall be filled as provided in that section. Unless otherwise 768
provided in the agreement, any vacancy on the board with respect 769
to a member appointed by a participating joint township hospital 770
district or county shall be filled by the appointing body not 771
later than ninety days after the vacancy occurs and if the 772
vacancy remains unfilled on that date, the remaining members of 773
the board, by majority vote, shall appoint an individual to fill 774
the vacancy. Unless otherwise provided in the agreement, 775
vacancies on the board with respect to any other members shall 776
be filled by the remaining members of the board, by majority 777
vote. Any member appointed to fill a vacancy occurring prior to 778
the expiration date of the term for which the member's 779
predecessor was appointed shall hold office as a member for the 780
remainder of that term. 781

The board of governors, subject to the terms of the 782
agreement, shall establish regulations and elect officers as its 783
members determine. The members shall be entitled to the 784
compensation for their services provided by the agreement. 785

Members of the board of governors may attend board 786
meetings by means of communications equipment authorized under 787

this section by rule of the board, including by video conference 788
or teleconference. Notwithstanding division (C) of section 789
121.22 of the Revised Code, board members who attend a board 790
meeting by means of authorized communications equipment shall be 791
considered present in person at the meeting, shall be permitted 792
to vote, and shall be counted for purposes of determining 793
whether a quorum is present at the meeting. 794

The board of governors shall maintain a record of any vote 795
or other action taken at a board meeting conducted by means of 796
authorized communications equipment. The record also shall 797
identify the members attending the board meeting by means of 798
authorized communications equipment. 799

The board of governors shall adopt rules designating the 800
communications equipment that is authorized for use during board 801
meetings. The board also shall adopt rules that establish 802
procedures and guidelines for using authorized communications 803
equipment during board meetings and that ensure verification of 804
the identity of any board members attending board meetings by 805
such means. 806

Sec. 951.02. No person, who is the owner or keeper of 807
horses, mules, cattle, bison, sheep, goats, swine, llamas, 808
alpacas, or ~~geese~~ poultry, shall permit them to run at large in 809
the public road, highway, street, lane, or alley, or upon 810
unenclosed land, or cause the animals to be herded, kept, or 811
detained for the purpose of grazing on premises other than those 812
owned or lawfully occupied by the owner or keeper of the 813
animals. 814

Sec. 951.13. The person or county, township, city, or 815
village whose law enforcement officer takes an animal running at 816
large in violation of section 951.02 of the Revised Code is 817

entitled to receive from the owner or keeper of the animal the 818
following compensation: 819

(A) For taking and advertising each ~~horse, mule, head of~~ 820
~~cattle, bison, swine, sheep, goat, llama, alpaca, or goose~~ 821
animal, five dollars; 822

(B) Reasonable expenses actually incurred for keeping each 823
~~animal described in division (A) of this section.~~ 824

Compensation for taking, advertising, and keeping a single 825
herd or flock shall not exceed fifty dollars when the flock or 826
herd belongs to one person. 827

Sec. 1711.50. As used in sections 1711.50 to 1711.57 of 828
the Revised Code: 829

(A) "Amusement ride" means any mechanical, aquatic, or 830
inflatable device, or combination of those devices that carries 831
or conveys passengers on, along, around, over, or through a 832
fixed or restricted course or within a defined area for the 833
purpose of providing amusement, pleasure, or excitement. 834
"Amusement ride" includes carnival rides, bungee jumping 835
facilities, and fair rides, but does not include passenger 836
tramways as defined in section 4169.01 of the Revised Code, 837
manufactured rock climbing walls in climbing facilities 838
regulated under Chapter 4175. of the Revised Code, or amusement 839
rides operated solely at trade shows for a limited period of 840
time. For purposes of this division, "trade show" means a place 841
of exhibition not open to the general public where amusement 842
ride manufacturers display, promote, operate, and sell amusement 843
rides to prospective purchasers. 844

(B) "Temporary amusement ride" means an amusement ride 845
that is relocated at least once per year with or without 846

disassembly.	847
(C) "Permanent amusement ride" means an amusement ride	848
that is erected to remain a lasting part of the premises.	849
(D) "Owner" means any person who owns or leases and	850
controls or manages the operation of an amusement ride, and	851
includes individuals, partnerships, corporations, both profit	852
and nonprofit, and the state and any of its political	853
subdivisions and their departments or agencies.	854
(E) "Operation" means the use or operation, or both, of an	855
amusement ride with riders.	856
(F) "Rider" means any person who sits, stands, or is	857
otherwise conveyed or carried as a passenger on an amusement	858
ride, but does not include employees or agents of the owner of	859
the amusement ride.	860
(G) "Amusement ride operator" means any person causing the	861
amusement ride to go, stop, or perform its function.	862
(H) "Reassembly" means the installation, erection, or	863
reconstruction of the main mechanical, safety, electrical, or	864
electronic components of an amusement ride following	865
transportation or storage and prior to operation. Replacement of	866
mechanical, safety, electrical, or electronic components of an	867
amusement ride for the purpose of repair or maintenance is not	868
reassembly.	869
(I) "Repair" means to restore an amusement ride to a	870
condition equal to or better than original design	871
specifications.	872
(J) "Maintenance" means the preservation and upkeep of an	873
amusement ride for the purpose of maintaining its designed	874

operational capability. 875

(K) "Inspection" means a physical examination of an 876
amusement ride by an inspector for the purpose of approving the 877
application for a permit. "Inspection" includes a reinspection. 878

(L) "Accident" means an occurrence during the operation of 879
an amusement ride that results in death or injury requiring 880
immediate hospital admission. 881

(M) "Serious injury" means an injury that does not require 882
immediate hospital admission but does require medical treatment, 883
other than first aid, by a physician. 884

(N) "First aid" means the one-time treatment or subsequent 885
observation of scratches, cuts not requiring stitches, burns, 886
splinters, and contusions or a diagnostic procedure, including 887
examinations and x-rays, that does not ordinarily require 888
medical treatment even though provided by a physician or other 889
licensed professional personnel. 890

(O) "Advisory council" means the advisory council on 891
amusement ride safety created by section 1711.51 of the Revised 892
Code. 893

(P) "Safe operation" means, except as provided in section 894
1711.57 of the Revised Code, the practical application of 895
maintenance, inspection, and operational processes, as indicated 896
by the manufacturer, owner, or advisory council, that secures a 897
rider from threat of physical danger, harm, or loss. 898

(Q) "Private facility" means any facility that is 899
accessible only to members of the facility and not accessible to 900
the general public, even upon payment of a fee or charge, and 901
that requires approval for membership by a membership committee 902
representing the current members who have a policy requiring 903

monetary payment to belong to the facility. 904

(R) "Bungee jumping" means a fall or jump from a height by 905
an individual who is attached to an elastic cord that prevents 906
the individual from hitting the ground, water, or other solid, 907
semi-solid, liquid, or elastic surface. 908

(S) "Bungee jumping facility" means a device or structure 909
utilized for bungee jumping. 910

(T) "Kiddie ride" means an amusement ride designed for use 911
by children under thirteen years of age who are unaccompanied by 912
another person. "Kiddie ride" includes a roller coaster that is 913
not more than forty feet in elevation at any point on the ride. 914

(U) "Climbing facility" has the same meaning as in section 915
4175.01 of the Revised Code. 916

Sec. 1711.57. Sections 1711.50 to 1711.57 of the Revised 917
Code do not apply to any of the following: 918

(A) A private facility; 919

(B) A single-passenger coin-operated ride that is 920
manually, mechanically, or electrically operated, is customarily 921
placed either singly or in groups in a public location, and does 922
not normally require the supervision or services of an amusement 923
ride operator; 924

(C) Nonmechanized playground equipment, including swings, 925
stationary spring-mounted animal features, rider-propelled 926
merry-go-rounds, climbers, slides, rock climbing walls, 927
trampolines, and swinging gates, except where an admission fee 928
is charged for usage or an admission fee is charged to areas 929
where such equipment is located; 930

(D) Devices regulated or licensed by the federal aviation 931

administration or the federal railroad administration in the 932
United States department of transportation, the department of 933
transportation, or the bureau of motor vehicles in the 934
department of public safety; 935

(E) Vessels regulated by the department of natural 936
resources under Chapters 1547. and 1548. of the Revised Code or 937
under the jurisdiction of the United States coast guard; 938

(F) Tractors, trucks, or similar vehicles at competition 939
events; 940

(G) Automobiles or motorcycles at competition events; 941

(H) Animals ridden in competitive events or shows; 942

(I) Physical fitness devices; 943

(J) Devices to which the definition of "safe operation" in 944
section 1711.50 of the Revised Code does not apply as determined 945
by the director of agriculture, including mechanized bulls, 946
surfboards, zip lines, vertical wind tunnels, skateboard or 947
bicycle rodeo devices, cable wakeboard or ski facilities, or 948
other devices that are not intended or manufactured to secure 949
the rider from threat of physical danger, harm, or loss. 950

(K) A manufactured climbing wall that is located in a 951
climbing facility, as defined and regulated by Chapter 4175. of 952
the Revised Code. 953

Sec. 4141.01. As used in this chapter, unless the context 954
otherwise requires: 955

(A) (1) "Employer" means the state, its instrumentalities, 956
its political subdivisions and their instrumentalities, Indian 957
tribes, and any individual or type of organization including any 958
partnership, limited liability company, association, trust, 959

estate, joint-stock company, insurance company, or corporation, 960
whether domestic or foreign, or the receiver, trustee in 961
bankruptcy, trustee, or the successor thereof, or the legal 962
representative of a deceased person who subsequent to December 963
31, 1971, or in the case of political subdivisions or their 964
instrumentalities, subsequent to December 31, 1973: 965

(a) Had in employment at least one individual, or in the 966
case of a nonprofit organization, subsequent to December 31, 967
1973, had not less than four individuals in employment for some 968
portion of a day in each of twenty different calendar weeks, in 969
either the current or the preceding calendar year whether or not 970
the same individual was in employment in each such day; or 971

(b) Except for a nonprofit organization, had paid for 972
service in employment wages of fifteen hundred dollars or more 973
in any calendar quarter in either the current or preceding 974
calendar year; or 975

(c) Had paid, subsequent to December 31, 1977, for 976
employment in domestic service in a local college club, or local 977
chapter of a college fraternity or sorority, cash remuneration 978
of one thousand dollars or more in any calendar quarter in the 979
current calendar year or the preceding calendar year, or had 980
paid subsequent to December 31, 1977, for employment in domestic 981
service in a private home cash remuneration of one thousand 982
dollars in any calendar quarter in the current calendar year or 983
the preceding calendar year: 984

(i) For the purposes of divisions (A) (1) (a) and (b) of 985
this section, there shall not be taken into account any wages 986
paid to, or employment of, an individual performing domestic 987
service as described in this division. 988

(ii) An employer under this division shall not be an 989
employer with respect to wages paid for any services other than 990
domestic service unless the employer is also found to be an 991
employer under division (A) (1) (a), (b), or (d) of this section. 992

(d) As a farm operator or a crew leader subsequent to 993
December 31, 1977, had in employment individuals in agricultural 994
labor; and 995

(i) During any calendar quarter in the current calendar 996
year or the preceding calendar year, paid cash remuneration of 997
twenty thousand dollars or more for the agricultural labor; or 998

(ii) Had at least ten individuals in employment in 999
agricultural labor, not including agricultural workers who are 1000
aliens admitted to the United States to perform agricultural 1001
labor pursuant to sections 1184(c) and 1101(a) (15) (H) of the 1002
"Immigration and Nationality Act," 66 Stat. 163, 189, 8 U.S.C.A. 1003
1101(a) (15) (H) (ii) (a), 1184(c), for some portion of a day in 1004
each of the twenty different calendar weeks, in either the 1005
current or preceding calendar year whether or not the same 1006
individual was in employment in each day; or 1007

(e) Is not otherwise an employer as defined under division 1008
(A) (1) (a) or (b) of this section; and 1009

(i) For which, within either the current or preceding 1010
calendar year, service, except for domestic service in a private 1011
home not covered under division (A) (1) (c) of this section, is or 1012
was performed with respect to which such employer is liable for 1013
any federal tax against which credit may be taken for 1014
contributions required to be paid into a state unemployment 1015
fund; 1016

(ii) Which, as a condition for approval of this chapter 1017

for full tax credit against the tax imposed by the "Federal
Unemployment Tax Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 3311,
is required, pursuant to such act to be an employer under this
chapter; or

(iii) Who became an employer by election under division
(A) (4) or (5) of this section and for the duration of such
election; or

(f) In the case of the state, its instrumentalities, its
political subdivisions, and their instrumentalities, and Indian
tribes, had in employment, as defined in divisions (B) (2) (a) and
(B) (2) (1) of this section, at least one individual;

(g) For the purposes of division (A) (1) (a) of this
section, if any week includes both the thirty-first day of
December and the first day of January, the days of that week
before the first day of January shall be considered one calendar
week and the days beginning the first day of January another
week.

(2) Each individual employed to perform or to assist in
performing the work of any agent or employee of an employer is
employed by such employer for all the purposes of this chapter,
whether such individual was hired or paid directly by such
employer or by such agent or employee, provided the employer had
actual or constructive knowledge of the work. All individuals
performing services for an employer of any person in this state
who maintains two or more establishments within this state are
employed by a single employer for the purposes of this chapter.

(3) An employer subject to this chapter within any
calendar year is subject to this chapter during the whole of
such year and during the next succeeding calendar year.

(4) An employer not otherwise subject to this chapter who 1047
files with the director of job and family services a written 1048
election to become an employer subject to this chapter for not 1049
less than two calendar years shall, with the written approval of 1050
such election by the director, become an employer subject to 1051
this chapter to the same extent as all other employers as of the 1052
date stated in such approval, and shall cease to be subject to 1053
this chapter as of the first day of January of any calendar year 1054
subsequent to such two calendar years only if at least thirty 1055
days prior to such first day of January the employer has filed 1056
with the director a written notice to that effect. 1057

(5) Any employer for whom services that do not constitute 1058
employment are performed may file with the director a written 1059
election that all such services performed by individuals in the 1060
employer's employ in one or more distinct establishments or 1061
places of business shall be deemed to constitute employment for 1062
all the purposes of this chapter, for not less than two calendar 1063
years. Upon written approval of the election by the director, 1064
such services shall be deemed to constitute employment subject 1065
to this chapter from and after the date stated in such approval. 1066
Such services shall cease to be employment subject to this 1067
chapter as of the first day of January of any calendar year 1068
subsequent to such two calendar years only if at least thirty 1069
days prior to such first day of January such employer has filed 1070
with the director a written notice to that effect. 1071

(B) (1) "Employment" means service performed by an 1072
individual for remuneration under any contract of hire, written 1073
or oral, express or implied, including service performed in 1074
interstate commerce and service performed by an officer of a 1075
corporation, without regard to whether such service is 1076
executive, managerial, or manual in nature, and without regard 1077

to whether such officer is a stockholder or a member of the 1078
board of directors of the corporation, unless it is shown to the 1079
satisfaction of the director that such individual has been and 1080
will continue to be free from direction or control over the 1081
performance of such service, both under a contract of service 1082
and in fact. The director shall adopt rules to define "direction 1083
or control." 1084

(2) "Employment" includes: 1085

(a) Service performed after December 31, 1977, by an 1086
individual in the employ of the state or any of its 1087
instrumentalities, or any political subdivision thereof or any 1088
of its instrumentalities or any instrumentality of more than one 1089
of the foregoing or any instrumentality of any of the foregoing 1090
and one or more other states or political subdivisions and 1091
without regard to divisions (A) (1) (a) and (b) of this section, 1092
provided that such service is excluded from employment as 1093
defined in the "Federal Unemployment Tax Act," 53 Stat. 183, 26 1094
U.S.C.A. 3301, 3306(c) (7) and is not excluded under division (B) 1095
(3) of this section; or the services of employees covered by 1096
voluntary election, as provided under divisions (A) (4) and (5) 1097
of this section; 1098

(b) Service performed after December 31, 1971, by an 1099
individual in the employ of a religious, charitable, 1100
educational, or other organization which is excluded from the 1101
term "employment" as defined in the "Federal Unemployment Tax 1102
Act," 84 Stat. 713, 26 U.S.C.A. 3301 to 3311, solely by reason 1103
of section 26 U.S.C.A. 3306(c) (8) of that act and is not 1104
excluded under division (B) (3) of this section; 1105

(c) Domestic service performed after December 31, 1977, 1106
for an employer, as provided in division (A) (1) (c) of this 1107

section; 1108

(d) Agricultural labor performed after December 31, 1977, 1109
for a farm operator or a crew leader, as provided in division 1110
(A) (1) (d) of this section; 1111

(e) Service not covered under division (B) (1) of this 1112
section which is performed after December 31, 1971: 1113

(i) As an agent-driver or commission-driver engaged in 1114
distributing meat products, vegetable products, fruit products, 1115
bakery products, beverages other than milk, laundry, or dry- 1116
cleaning services, for the individual's employer or principal; 1117

(ii) As a traveling or city salesperson, other than as an 1118
agent-driver or commission-driver, engaged on a full-time basis 1119
in the solicitation on behalf of and in the transmission to the 1120
salesperson's employer or principal except for sideline sales 1121
activities on behalf of some other person of orders from 1122
wholesalers, retailers, contractors, or operators of hotels, 1123
restaurants, or other similar establishments for merchandise for 1124
resale, or supplies for use in their business operations, 1125
provided that for the purposes of division (B) (2) (e) (ii) of this 1126
section, the services shall be deemed employment if the contract 1127
of service contemplates that substantially all of the services 1128
are to be performed personally by the individual and that the 1129
individual does not have a substantial investment in facilities 1130
used in connection with the performance of the services other 1131
than in facilities for transportation, and the services are not 1132
in the nature of a single transaction that is not a part of a 1133
continuing relationship with the person for whom the services 1134
are performed. 1135

(f) An individual's entire service performed within or 1136

both within and without the state if: 1137

(i) The service is localized in this state. 1138

(ii) The service is not localized in any state, but some 1139
of the service is performed in this state and either the base of 1140
operations, or if there is no base of operations then the place 1141
from which such service is directed or controlled, is in this 1142
state or the base of operations or place from which such service 1143
is directed or controlled is not in any state in which some part 1144
of the service is performed but the individual's residence is in 1145
this state. 1146

(g) Service not covered under division (B) (2) (f) (ii) of 1147
this section and performed entirely without this state, with 1148
respect to no part of which contributions are required and paid 1149
under an unemployment compensation law of any other state, the 1150
Virgin Islands, Canada, or of the United States, if the 1151
individual performing such service is a resident of this state 1152
and the director approves the election of the employer for whom 1153
such services are performed; or, if the individual is not a 1154
resident of this state but the place from which the service is 1155
directed or controlled is in this state, the entire services of 1156
such individual shall be deemed to be employment subject to this 1157
chapter, provided service is deemed to be localized within this 1158
state if the service is performed entirely within this state or 1159
if the service is performed both within and without this state 1160
but the service performed without this state is incidental to 1161
the individual's service within the state, for example, is 1162
temporary or transitory in nature or consists of isolated 1163
transactions; 1164

(h) Service of an individual who is a citizen of the 1165
United States, performed outside the United States except in 1166

Canada after December 31, 1971, or the Virgin Islands, after 1167
December 31, 1971, and before the first day of January of the 1168
year following that in which the United States secretary of 1169
labor approves the Virgin Islands law for the first time, in the 1170
employ of an American employer, other than service which is 1171
"employment" under divisions (B) (2) (f) and (g) of this section 1172
or similar provisions of another state's law, if: 1173

(i) The employer's principal place of business in the 1174
United States is located in this state; 1175

(ii) The employer has no place of business in the United 1176
States, but the employer is an individual who is a resident of 1177
this state; or the employer is a corporation which is organized 1178
under the laws of this state, or the employer is a partnership 1179
or a trust and the number of partners or trustees who are 1180
residents of this state is greater than the number who are 1181
residents of any other state; or 1182

(iii) None of the criteria of divisions (B) (2) (f) (i) and 1183
(ii) of this section is met but the employer has elected 1184
coverage in this state or the employer having failed to elect 1185
coverage in any state, the individual has filed a claim for 1186
benefits, based on such service, under this chapter. 1187

(i) For the purposes of division (B) (2) (h) of this 1188
section, the term "American employer" means an employer who is 1189
an individual who is a resident of the United States; or a 1190
partnership, if two-thirds or more of the partners are residents 1191
of the United States; or a trust, if all of the trustees are 1192
residents of the United States; or a corporation organized under 1193
the laws of the United States or of any state, provided the term 1194
"United States" includes the states, the District of Columbia, 1195
the Commonwealth of Puerto Rico, and the Virgin Islands. 1196

(j) Notwithstanding any other provisions of divisions (B) 1197
(1) and (2) of this section, service, except for domestic 1198
service in a private home not covered under division (A) (1) (c) 1199
of this section, with respect to which a tax is required to be 1200
paid under any federal law imposing a tax against which credit 1201
may be taken for contributions required to be paid into a state 1202
unemployment fund, or service, except for domestic service in a 1203
private home not covered under division (A) (1) (c) of this 1204
section, which, as a condition for full tax credit against the 1205
tax imposed by the "Federal Unemployment Tax Act," 84 Stat. 713, 1206
26 U.S.C.A. 3301 to 3311, is required to be covered under this 1207
chapter. 1208

(k) Construction services performed by any individual 1209
under a construction contract, as defined in section 4141.39 of 1210
the Revised Code, if the director determines that the employer 1211
for whom services are performed has the right to direct or 1212
control the performance of the services and that the individuals 1213
who perform the services receive remuneration for the services 1214
performed. The director shall presume that the employer for whom 1215
services are performed has the right to direct or control the 1216
performance of the services if ten or more of the following 1217
criteria apply: 1218

(i) The employer directs or controls the manner or method 1219
by which instructions are given to the individual performing 1220
services; 1221

(ii) The employer requires particular training for the 1222
individual performing services; 1223

(iii) Services performed by the individual are integrated 1224
into the regular functioning of the employer; 1225

(iv) The employer requires that services be provided by a particular individual;	1226 1227
(v) The employer hires, supervises, or pays the wages of the individual performing services;	1228 1229
(vi) A continuing relationship between the employer and the individual performing services exists which contemplates continuing or recurring work, even if not full-time work;	1230 1231 1232
(vii) The employer requires the individual to perform services during established hours;	1233 1234
(viii) The employer requires that the individual performing services be devoted on a full-time basis to the business of the employer;	1235 1236 1237
(ix) The employer requires the individual to perform services on the employer's premises;	1238 1239
(x) The employer requires the individual performing services to follow the order of work established by the employer;	1240 1241 1242
(xi) The employer requires the individual performing services to make oral or written reports of progress;	1243 1244
(xii) The employer makes payment to the individual for services on a regular basis, such as hourly, weekly, or monthly;	1245 1246
(xiii) The employer pays expenses for the individual performing services;	1247 1248
(xiv) The employer furnishes the tools and materials for use by the individual to perform services;	1249 1250
(xv) The individual performing services has not invested in the facilities used to perform services;	1251 1252

(xvi) The individual performing services does not realize 1253
a profit or suffer a loss as a result of the performance of the 1254
services; 1255

(xvii) The individual performing services is not 1256
performing services for more than two employers simultaneously; 1257

(xviii) The individual performing services does not make 1258
the services available to the general public; 1259

(xix) The employer has a right to discharge the individual 1260
performing services; 1261

(xx) The individual performing services has the right to 1262
end the individual's relationship with the employer without 1263
incurring liability pursuant to an employment contract or 1264
agreement. 1265

(1) Service performed by an individual in the employ of an 1266
Indian tribe as defined by section 4(e) of the "Indian Self- 1267
Determination and Education Assistance Act," 88 Stat. 2204 1268
(1975), 25 U.S.C.A. 450b(e), including any subdivision, 1269
subsidiary, or business enterprise wholly owned by an Indian 1270
tribe provided that the service is excluded from employment as 1271
defined in the "Federal Unemployment Tax Act," 53 Stat. 183 1272
(1939), 26 U.S.C.A. 3301 and 3306(c)(7) and is not excluded 1273
under division (B)(3) of this section. 1274

(3) "Employment" does not include the following services 1275
if they are found not subject to the "Federal Unemployment Tax 1276
Act," 84 Stat. 713 (1970), 26 U.S.C.A. 3301 to 3311, and if the 1277
services are not required to be included under division (B)(2) 1278
(j) of this section: 1279

(a) Service performed after December 31, 1977, in 1280
agricultural labor, except as provided in division (A)(1)(d) of 1281

this section;	1282
(b) Domestic service performed after December 31, 1977, in	1283
a private home, local college club, or local chapter of a	1284
college fraternity or sorority except as provided in division	1285
(A) (1) (c) of this section;	1286
(c) Service performed after December 31, 1977, for this	1287
state or a political subdivision as described in division (B) (2)	1288
(a) of this section when performed:	1289
(i) As a publicly elected official;	1290
(ii) As a member of a legislative body, or a member of the	1291
judiciary;	1292
(iii) As a military member of the Ohio national guard;	1293
(iv) As an employee, not in the classified service as	1294
defined in section 124.11 of the Revised Code, serving on a	1295
temporary basis in case of fire, storm, snow, earthquake, flood,	1296
or similar emergency;	1297
(v) In a position which, under or pursuant to law, is	1298
designated as a major nontenured policymaking or advisory	1299
position, not in the classified service of the state, or a	1300
policymaking or advisory position the performance of the duties	1301
of which ordinarily does not require more than eight hours per	1302
week.	1303
(d) In the employ of any governmental unit or	1304
instrumentality of the United States;	1305
(e) Service performed after December 31, 1971:	1306
(i) Service in the employ of an educational institution or	1307
institution of higher education, including those operated by the	1308

state or a political subdivision, if such service is performed 1309
by a student who is enrolled and is regularly attending classes 1310
at the educational institution or institution of higher 1311
education; or 1312

(ii) By an individual who is enrolled at a nonprofit or 1313
public educational institution which normally maintains a 1314
regular faculty and curriculum and normally has a regularly 1315
organized body of students in attendance at the place where its 1316
educational activities are carried on as a student in a full- 1317
time program, taken for credit at the institution, which 1318
combines academic instruction with work experience, if the 1319
service is an integral part of the program, and the institution 1320
has so certified to the employer, provided that this subdivision 1321
shall not apply to service performed in a program established 1322
for or on behalf of an employer or group of employers. 1323

(f) Service performed by an individual in the employ of 1324
the individual's son, daughter, or spouse and service performed 1325
by a child under the age of eighteen in the employ of the 1326
child's father or mother; 1327

(g) Service performed for one or more principals by an 1328
individual who is compensated on a commission basis, who in the 1329
performance of the work is master of the individual's own time 1330
and efforts, and whose remuneration is wholly dependent on the 1331
amount of effort the individual chooses to expend, and which 1332
service is not subject to the "Federal Unemployment Tax Act," 53 1333
Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. Service performed 1334
after December 31, 1971: 1335

(i) By an individual for an employer as an insurance agent 1336
or as an insurance solicitor, if all this service is performed 1337
for remuneration solely by way of commission; 1338

(ii) As a home worker performing work, according to 1339
specifications furnished by the employer for whom the services 1340
are performed, on materials or goods furnished by such employer 1341
which are required to be returned to the employer or to a person 1342
designated for that purpose. 1343

(h) Service performed after December 31, 1971: 1344

(i) In the employ of a church or convention or association 1345
of churches, or in an organization which is operated primarily 1346
for religious purposes and which is operated, supervised, 1347
controlled, or principally supported by a church or convention 1348
or association of churches; 1349

(ii) By a duly ordained, commissioned, or licensed 1350
minister of a church in the exercise of the individual's 1351
ministry or by a member of a religious order in the exercise of 1352
duties required by such order; or 1353

(iii) In a facility conducted for the purpose of carrying 1354
out a program of rehabilitation for individuals whose earning 1355
capacity is impaired by age or physical or mental deficiency or 1356
injury, or providing remunerative work for individuals who 1357
because of their impaired physical or mental capacity cannot be 1358
readily absorbed in the competitive labor market, by an 1359
individual receiving such rehabilitation or remunerative work. 1360

(i) Service performed after June 30, 1939, with respect to 1361
which unemployment compensation is payable under the "Railroad 1362
Unemployment Insurance Act," 52 Stat. 1094 (1938), 45 U.S.C. 1363
351; 1364

(j) Service performed by an individual in the employ of 1365
any organization exempt from income tax under section 501 of the 1366
"Internal Revenue Code of 1954," if the remuneration for such 1367

service does not exceed fifty dollars in any calendar quarter, 1368
or if such service is in connection with the collection of dues 1369
or premiums for a fraternal beneficial society, order, or 1370
association and is performed away from the home office or is 1371
ritualistic service in connection with any such society, order, 1372
or association; 1373

(k) Casual labor not in the course of an employer's trade 1374
or business; incidental service performed by an officer, 1375
appraiser, or member of a finance committee of a bank, building 1376
and loan association, savings and loan association, or savings 1377
association when the remuneration for such incidental service 1378
exclusive of the amount paid or allotted for directors' fees 1379
does not exceed sixty dollars per calendar quarter is casual 1380
labor; 1381

(l) Service performed in the employ of a voluntary 1382
employees' beneficial association providing for the payment of 1383
life, sickness, accident, or other benefits to the members of 1384
such association or their dependents or their designated 1385
beneficiaries, if admission to a membership in such association 1386
is limited to individuals who are officers or employees of a 1387
municipal or public corporation, of a political subdivision of 1388
the state, or of the United States and no part of the net 1389
earnings of such association inures, other than through such 1390
payments, to the benefit of any private shareholder or 1391
individual; 1392

(m) Service performed by an individual in the employ of a 1393
foreign government, including service as a consular or other 1394
officer or employee or of a nondiplomatic representative; 1395

(n) Service performed in the employ of an instrumentality 1396
wholly owned by a foreign government if the service is of a 1397

character similar to that performed in foreign countries by 1398
employees of the United States or of an instrumentality thereof 1399
and if the director finds that the secretary of state of the 1400
United States has certified to the secretary of the treasury of 1401
the United States that the foreign government, with respect to 1402
whose instrumentality exemption is claimed, grants an equivalent 1403
exemption with respect to similar service performed in the 1404
foreign country by employees of the United States and of 1405
instrumentalities thereof; 1406

(o) Service with respect to which unemployment 1407
compensation is payable under an unemployment compensation 1408
system established by an act of congress; 1409

(p) Service performed as a student nurse in the employ of 1410
a hospital or a nurses' training school by an individual who is 1411
enrolled and is regularly attending classes in a nurses' 1412
training school chartered or approved pursuant to state law, and 1413
service performed as an intern in the employ of a hospital by an 1414
individual who has completed a four years' course in a medical 1415
school chartered or approved pursuant to state law; 1416

(q) Service performed by an individual under the age of 1417
eighteen in the delivery or distribution of newspapers or 1418
shopping news, not including delivery or distribution to any 1419
point for subsequent delivery or distribution; 1420

(r) Service performed in the employ of the United States 1421
or an instrumentality of the United States immune under the 1422
Constitution of the United States from the contributions imposed 1423
by this chapter, except that to the extent that congress permits 1424
states to require any instrumentalities of the United States to 1425
make payments into an unemployment fund under a state 1426
unemployment compensation act, this chapter shall be applicable 1427

to such instrumentalities and to services performed for such 1428
instrumentalities in the same manner, to the same extent, and on 1429
the same terms as to all other employers, individuals, and 1430
services, provided that if this state is not certified for any 1431
year by the proper agency of the United States under section 1432
3304 of the "Internal Revenue Code of 1954," the payments 1433
required of such instrumentalities with respect to such year 1434
shall be refunded by the director from the fund in the same 1435
manner and within the same period as is provided in division (E) 1436
of section 4141.09 of the Revised Code with respect to 1437
contributions erroneously collected; 1438

(s) Service performed by an individual as a member of a 1439
band or orchestra, provided such service does not represent the 1440
principal occupation of such individual, and which service is 1441
not subject to or required to be covered for full tax credit 1442
against the tax imposed by the "Federal Unemployment Tax Act," 1443
53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 3311. 1444

(t) Service performed in the employ of a day camp whose 1445
camping season does not exceed twelve weeks in any calendar 1446
year, and which service is not subject to the "Federal 1447
Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 1448
3311. Service performed after December 31, 1971: 1449

(i) In the employ of a hospital, if the service is 1450
performed by a patient of the hospital, as defined in division 1451
(W) of this section; 1452

(ii) For a prison or other correctional institution by an 1453
inmate of the prison or correctional institution; 1454

(iii) Service performed after December 31, 1977, by an 1455
inmate of a custodial institution operated by the state, a 1456

political subdivision, or a nonprofit organization. 1457

(u) Service that is performed by a nonresident alien 1458
individual for the period the individual temporarily is present 1459
in the United States as a nonimmigrant under division (F), (J), 1460
(M), or (Q) of section 101(a)(15) of the "Immigration and 1461
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101, as amended, 1462
that is excluded under section 3306(c)(19) of the "Federal 1463
Unemployment Tax Act," 53 Stat. 183 (1939), 26 U.S.C.A. 3301 to 1464
3311. 1465

(v) Notwithstanding any other provisions of division (B) 1466
(3) of this section, services that are excluded under divisions 1467
(B)(3)(g), (j), (k), and (l) of this section shall not be 1468
excluded from employment when performed for a nonprofit 1469
organization, as defined in division (X) of this section, or for 1470
this state or its instrumentalities, or for a political 1471
subdivision or its instrumentalities or for Indian tribes; 1472

(w) Service that is performed by an individual working as 1473
an election official or election worker if the amount of 1474
remuneration received by the individual during the calendar year 1475
for services as an election official or election worker is less 1476
than one thousand dollars; 1477

(x) Service performed for an elementary or secondary 1478
school that is operated primarily for religious purposes, that 1479
is described in subsection 501(c)(3) and exempt from federal 1480
income taxation under subsection 501(a) of the Internal Revenue 1481
Code, 26 U.S.C.A. 501; 1482

(y) Service performed by a person committed to a penal 1483
institution. 1484

(z) Service performed for an Indian tribe as described in 1485

division (B) (2) (1) of this section when performed in any of the	1486
following manners:	1487
(i) As a publicly elected official;	1488
(ii) As a member of an Indian tribal council;	1489
(iii) As a member of a legislative or judiciary body;	1490
(iv) In a position which, pursuant to Indian tribal law,	1491
is designated as a major nontenured policymaking or advisory	1492
position, or a policymaking or advisory position where the	1493
performance of the duties ordinarily does not require more than	1494
eight hours of time per week;	1495
(v) As an employee serving on a temporary basis in the	1496
case of a fire, storm, snow, earthquake, flood, or similar	1497
emergency.	1498
(aa) Service performed after December 31, 1971, for a	1499
nonprofit organization, this state or its instrumentalities, a	1500
political subdivision or its instrumentalities, or an Indian	1501
tribe as part of an unemployment work-relief or work-training	1502
program assisted or financed in whole or in part by any federal	1503
agency or an agency of a state or political subdivision,	1504
thereof, by an individual receiving the work-relief or work-	1505
training.	1506
(bb) Participation in a learn to earn program as defined	1507
in section 4141.293 of the Revised Code.	1508
(4) If the services performed during one half or more of	1509
any pay period by an employee for the person employing that	1510
employee constitute employment, all the services of such	1511
employee for such period shall be deemed to be employment; but	1512
if the services performed during more than one half of any such	1513

pay period by an employee for the person employing that employee 1514
do not constitute employment, then none of the services of such 1515
employee for such period shall be deemed to be employment. As 1516
used in division (B) (4) of this section, "pay period" means a 1517
period, of not more than thirty-one consecutive days, for which 1518
payment of remuneration is ordinarily made to the employee by 1519
the person employing that employee. Division (B) (4) of this 1520
section does not apply to services performed in a pay period by 1521
an employee for the person employing that employee, if any of 1522
such service is excepted by division (B) (3) (o) of this section. 1523

(C) "Benefits" means money payments payable to an 1524
individual who has established benefit rights, as provided in 1525
this chapter, for loss of remuneration due to the individual's 1526
unemployment. 1527

(D) "Benefit rights" means the weekly benefit amount and 1528
the maximum benefit amount that may become payable to an 1529
individual within the individual's benefit year as determined by 1530
the director. 1531

(E) "Claim for benefits" means a claim for waiting period 1532
or benefits for a designated week. 1533

(F) "Additional claim" means the first claim for benefits 1534
filed following any separation from employment during a benefit 1535
year; "continued claim" means any claim other than the first 1536
claim for benefits and other than an additional claim. 1537

(G) ~~(1)~~ "Wages" means remuneration paid to an employee by 1538
each of the employee's employers with respect to employment; 1539
except that wages shall not include that part of remuneration 1540
paid during any calendar year to an individual by an employer or 1541
such employer's predecessor in interest in the same business or 1542

enterprise, which in any calendar year is in excess of ~~eight-~~ 1543
~~thousand two hundred fifty dollars on and after January 1, 1992;~~ 1544
~~eight thousand five hundred dollars on and after January 1,~~ 1545
~~1993; eight thousand seven hundred fifty dollars on and after-~~ 1546
~~January 1, 1994; and nine thousand dollars on and after January~~ 1547
~~1, 1995; nine thousand five hundred dollars on and after January~~ 1548
~~1, 2018; and nine thousand dollars on and after January 1, 2020.~~ 1549
Remuneration in excess of such amounts shall be deemed wages 1550
subject to contribution to the same extent that such 1551
remuneration is defined as wages under the "Federal Unemployment 1552
Tax Act," 84 Stat. 714 (1970), 26 U.S.C.A. 3301 to 3311, as 1553
amended. The remuneration paid an employee by an employer with 1554
respect to employment in another state, upon which contributions 1555
were required and paid by such employer under the unemployment 1556
compensation act of such other state, shall be included as a 1557
part of remuneration in computing the amount specified in this 1558
division. 1559

~~(2) Notwithstanding division (G) (1) of this section, if,~~ 1560
~~as of the computation date for any calendar year, the director~~ 1561
~~determines that the level of the unemployment compensation fund~~ 1562
~~is sixty per cent or more below the minimum safe level as~~ 1563
~~defined in section 4141.25 of the Revised Code, then, effective-~~ 1564
~~the first day of January of the following calendar year, wages-~~ 1565
~~subject to this chapter shall not include that part of~~ 1566
~~remuneration paid during any calendar year to an individual by~~ 1567
~~an employer or such employer's predecessor in interest in the~~ 1568
~~same business or enterprise which is in excess of nine thousand-~~ 1569
~~dollars. The increase in the dollar amount of wages subject to~~ 1570
~~this chapter under this division shall remain in effect from the~~ 1571
~~date of the director's determination pursuant to division (G) (2)-~~ 1572
~~of this section and thereafter notwithstanding the fact that the-~~ 1573

~~level in the fund may subsequently become less than sixty per- 1574~~
~~cent below the minimum safe level. 1575~~

(H) (1) "Remuneration" means all compensation for personal 1576
services, including commissions and bonuses and the cash value 1577
of all compensation in any medium other than cash, except that 1578
in the case of agricultural or domestic service, "remuneration" 1579
includes only cash remuneration. Gratuities customarily received 1580
by an individual in the course of the individual's employment 1581
from persons other than the individual's employer and which are 1582
accounted for by such individual to the individual's employer 1583
are taxable wages. 1584

The reasonable cash value of compensation paid in any 1585
medium other than cash shall be estimated and determined in 1586
accordance with rules prescribed by the director, provided that 1587
"remuneration" does not include: 1588

(a) Payments as provided in divisions (b) (2) to (b) (20) of 1589
section 3306 of the "Federal Unemployment Tax Act," 84 Stat. 1590
713, 26 U.S.C.A. 3301 to 3311, as amended; 1591

(b) The payment by an employer, without deduction from the 1592
remuneration of the individual in the employer's employ, of the 1593
tax imposed upon an individual in the employer's employ under 1594
section 3101 of the "Internal Revenue Code of 1954," with 1595
respect to services performed after October 1, 1941. 1596

(2) "Cash remuneration" means all remuneration paid in 1597
cash, including commissions and bonuses, but not including the 1598
cash value of all compensation in any medium other than cash. 1599

(I) "Interested party" means the director and any party to 1600
whom notice of a determination of an application for benefit 1601
rights or a claim for benefits is required to be given under 1602

section 4141.28 of the Revised Code. 1603

(J) "Annual payroll" means the total amount of wages 1604
subject to contributions during a twelve-month period ending 1605
with the last day of the second calendar quarter of any calendar 1606
year. 1607

(K) "Average annual payroll" means the average of the last 1608
three annual payrolls of an employer, provided that if, as of 1609
any computation date, the employer has had less than three 1610
annual payrolls in such three-year period, such average shall be 1611
based on the annual payrolls which the employer has had as of 1612
such date. 1613

(L) (1) "Contributions" means the money payments to the 1614
state unemployment compensation fund required of employers by 1615
section 4141.25 of the Revised Code and of the state and any of 1616
its political subdivisions electing to pay contributions under 1617
section 4141.242 of the Revised Code. Employers paying 1618
contributions shall be described as "contributory employers." 1619

(2) "Payments in lieu of contributions" means the money 1620
payments to the state unemployment compensation fund required of 1621
reimbursing employers under sections 4141.241 and 4141.242 of 1622
the Revised Code. 1623

(M) An individual is "totally unemployed" in any week 1624
during which the individual performs no services and with 1625
respect to such week no remuneration is payable to the 1626
individual. 1627

(N) An individual is "partially unemployed" in any week 1628
if, due to involuntary loss of work, the total remuneration 1629
payable to the individual for such week is less than the 1630
individual's weekly benefit amount. 1631

(O) "Week" means the calendar week ending at midnight 1632
Saturday unless an equivalent week of seven consecutive calendar 1633
days is prescribed by the director. 1634

(1) "Qualifying week" means any calendar week in an 1635
individual's base period with respect to which the individual 1636
earns or is paid remuneration in employment subject to this 1637
chapter. A calendar week with respect to which an individual 1638
earns remuneration but for which payment was not made within the 1639
base period, when necessary to qualify for benefit rights, may 1640
be considered to be a qualifying week. The number of qualifying 1641
weeks which may be established in a calendar quarter shall not 1642
exceed the number of calendar weeks in the quarter. 1643

(2) "Average weekly wage" means the amount obtained by 1644
dividing an individual's total remuneration for all qualifying 1645
weeks during the base period by the number of such qualifying 1646
weeks, provided that if the computation results in an amount 1647
that is not a multiple of one dollar, such amount shall be 1648
rounded to the next lower multiple of one dollar. 1649

(P) "Weekly benefit amount" means the amount of benefits 1650
an individual would be entitled to receive for one week of total 1651
unemployment. 1652

(Q) (1) "Base period" means the first four of the last five 1653
completed calendar quarters immediately preceding the first day 1654
of an individual's benefit year, except as provided in division 1655
(Q) (2) of this section. 1656

(2) If an individual does not have sufficient qualifying 1657
weeks and wages in the base period to qualify for benefit 1658
rights, the individual's base period shall be the four most 1659
recently completed calendar quarters preceding the first day of 1660

the individual's benefit year. Such base period shall be known 1661
as the "alternate base period." If information as to weeks and 1662
wages for the most recent quarter of the alternate base period 1663
is not available to the director from the regular quarterly 1664
reports of wage information, which are systematically 1665
accessible, the director may, consistent with the provisions of 1666
section 4141.28 of the Revised Code, base the determination of 1667
eligibility for benefits on the affidavit of the claimant with 1668
respect to weeks and wages for that calendar quarter. The 1669
claimant shall furnish payroll documentation, where available, 1670
in support of the affidavit. The determination based upon the 1671
alternate base period as it relates to the claimant's benefit 1672
rights, shall be amended when the quarterly report of wage 1673
information from the employer is timely received and that 1674
information causes a change in the determination. As provided in 1675
division (B) of section 4141.28 of the Revised Code, any 1676
benefits paid and charged to an employer's account, based upon a 1677
claimant's affidavit, shall be adjusted effective as of the 1678
beginning of the claimant's benefit year. No calendar quarter in 1679
a base period or alternate base period shall be used to 1680
establish a subsequent benefit year. 1681

(3) The "base period" of a combined wage claim, as 1682
described in division (H) of section 4141.43 of the Revised 1683
Code, shall be the base period prescribed by the law of the 1684
state in which the claim is allowed. 1685

(4) For purposes of determining the weeks that comprise a 1686
completed calendar quarter under this division, only those weeks 1687
ending at midnight Saturday within the calendar quarter shall be 1688
utilized. 1689

(R) (1) "Benefit year" with respect to an individual means 1690

the fifty-two week period beginning with the first day of that 1691
week with respect to which the individual first files a valid 1692
application for determination of benefit rights, and thereafter 1693
the fifty-two week period beginning with the first day of that 1694
week with respect to which the individual next files a valid 1695
application for determination of benefit rights after the 1696
termination of the individual's last preceding benefit year, 1697
except that the application shall not be considered valid unless 1698
the individual has had employment in six weeks that is subject 1699
to this chapter or the unemployment compensation act of another 1700
state, or the United States, and has, since the beginning of the 1701
individual's previous benefit year, in the employment earned 1702
three times the average weekly wage determined for the previous 1703
benefit year. The "benefit year" of a combined wage claim, as 1704
described in division (H) of section 4141.43 of the Revised 1705
Code, shall be the benefit year prescribed by the law of the 1706
state in which the claim is allowed. Any application for 1707
determination of benefit rights made in accordance with section 1708
4141.28 of the Revised Code is valid if the individual filing 1709
such application is unemployed, has been employed by an employer 1710
or employers subject to this chapter in at least twenty 1711
qualifying weeks within the individual's base period, and has 1712
earned or been paid remuneration at an average weekly wage of 1713
not less than twenty-seven and one-half per cent of the 1714
statewide average weekly wage for such weeks. For purposes of 1715
determining whether an individual has had sufficient employment 1716
since the beginning of the individual's previous benefit year to 1717
file a valid application, "employment" means the performance of 1718
services for which remuneration is payable. 1719

(2) Effective for benefit years beginning on and after 1720
December 26, 2004, any application for determination of benefit 1721

rights made in accordance with section 4141.28 of the Revised 1722
Code is valid if the individual satisfies the criteria described 1723
in division (R) (1) of this section, and if the reason for the 1724
individual's separation from employment is not disqualifying 1725
pursuant to division (D) (2) of section 4141.29 or section 1726
4141.291 of the Revised Code. A disqualification imposed 1727
pursuant to division (D) (2) of section 4141.29 or section 1728
4141.291 of the Revised Code must be removed as provided in 1729
those sections as a requirement of establishing a valid 1730
application for benefit years beginning on and after December 1731
26, 2004. 1732

(3) The statewide average weekly wage shall be calculated 1733
by the director once a year based on the twelve-month period 1734
ending the thirtieth day of June, as set forth in division (B) 1735
(3) of section 4141.30 of the Revised Code, rounded down to the 1736
nearest dollar. Increases or decreases in the amount of 1737
remuneration required to have been earned or paid in order for 1738
individuals to have filed valid applications shall become 1739
effective on Sunday of the calendar week in which the first day 1740
of January occurs that follows the twelve-month period ending 1741
the thirtieth day of June upon which the calculation of the 1742
statewide average weekly wage was based. 1743

(4) As used in this division, an individual is 1744
"unemployed" if, with respect to the calendar week in which such 1745
application is filed, the individual is "partially unemployed" 1746
or "totally unemployed" as defined in this section or if, prior 1747
to filing the application, the individual was separated from the 1748
individual's most recent work for any reason which terminated 1749
the individual's employee-employer relationship, or was laid off 1750
indefinitely or for a definite period of seven or more days. 1751

(S) "Calendar quarter" means the period of three 1752
consecutive calendar months ending on the thirty-first day of 1753
March, the thirtieth day of June, the thirtieth day of 1754
September, and the thirty-first day of December, or the 1755
equivalent thereof as the director prescribes by rule. 1756

(T) "Computation date" means the first day of the third 1757
calendar quarter of any calendar year. 1758

(U) "Contribution period" means the calendar year 1759
beginning on the first day of January of any year. 1760

(V) "Agricultural labor," for the purpose of this 1761
division, means any service performed prior to January 1, 1972, 1762
which was agricultural labor as defined in this division prior 1763
to that date, and service performed after December 31, 1971: 1764

(1) On a farm, in the employ of any person, in connection 1765
with cultivating the soil, or in connection with raising or 1766
harvesting any agricultural or horticultural commodity, 1767
including the raising, shearing, feeding, caring for, training, 1768
and management of livestock, bees, poultry, and fur-bearing 1769
animals and wildlife; 1770

(2) In the employ of the owner or tenant or other operator 1771
of a farm in connection with the operation, management, 1772
conservation, improvement, or maintenance of such farm and its 1773
tools and equipment, or in salvaging timber or clearing land of 1774
brush and other debris left by hurricane, if the major part of 1775
such service is performed on a farm; 1776

(3) In connection with the production or harvesting of any 1777
commodity defined as an agricultural commodity in section 15 (g) 1778
of the "Agricultural Marketing Act," 46 Stat. 1550 (1931), 12 1779
U.S.C. 1141j, as amended, or in connection with the ginning of 1780

cotton, or in connection with the operation or maintenance of 1781
ditches, canals, reservoirs, or waterways, not owned or operated 1782
for profit, used exclusively for supplying and storing water for 1783
farming purposes; 1784

(4) In the employ of the operator of a farm in handling, 1785
planting, drying, packing, packaging, processing, freezing, 1786
grading, storing, or delivering to storage or to market or to a 1787
carrier for transportation to market, in its unmanufactured 1788
state, any agricultural or horticultural commodity, but only if 1789
the operator produced more than one half of the commodity with 1790
respect to which such service is performed; 1791

(5) In the employ of a group of operators of farms, or a 1792
cooperative organization of which the operators are members, in 1793
the performance of service described in division (V) (4) of this 1794
section, but only if the operators produced more than one-half 1795
of the commodity with respect to which the service is performed; 1796

(6) Divisions (V) (4) and (5) of this section shall not be 1797
deemed to be applicable with respect to service performed: 1798

(a) In connection with commercial canning or commercial 1799
freezing or in connection with any agricultural or horticultural 1800
commodity after its delivery to a terminal market for 1801
distribution for consumption; or 1802

(b) On a farm operated for profit if the service is not in 1803
the course of the employer's trade or business. 1804

As used in division (V) of this section, "farm" includes 1805
stock, dairy, poultry, fruit, fur-bearing animal, and truck 1806
farms, plantations, ranches, nurseries, ranges, greenhouses, or 1807
other similar structures used primarily for the raising of 1808
agricultural or horticultural commodities and orchards. 1809

(W) "Hospital" means an institution which has been 1810
registered or licensed by the Ohio department of health as a 1811
hospital. 1812

(X) "Nonprofit organization" means an organization, or 1813
group of organizations, described in section 501(c)(3) of the 1814
"Internal Revenue Code of 1954," and exempt from income tax 1815
under section 501(a) of that code. 1816

(Y) "Institution of higher education" means a public or 1817
nonprofit educational institution, including an educational 1818
institution operated by an Indian tribe, which: 1819

(1) Admits as regular students only individuals having a 1820
certificate of graduation from a high school, or the recognized 1821
equivalent; 1822

(2) Is legally authorized in this state or by the Indian 1823
tribe to provide a program of education beyond high school; and 1824

(3) Provides an educational program for which it awards a 1825
bachelor's or higher degree, or provides a program which is 1826
acceptable for full credit toward such a degree, a program of 1827
post-graduate or post-doctoral studies, or a program of training 1828
to prepare students for gainful employment in a recognized 1829
occupation. 1830

For the purposes of this division, all colleges and 1831
universities in this state are institutions of higher education. 1832

(Z) For the purposes of this chapter, "states" includes 1833
the District of Columbia, the Commonwealth of Puerto Rico, and 1834
the Virgin Islands. 1835

(AA) "Alien" means, for the purposes of division (A)(1)(d) 1836
of this section, an individual who is an alien admitted to the 1837

United States to perform service in agricultural labor pursuant 1838
to sections 214 (c) and 101 (a) (15) (H) of the "Immigration and 1839
Nationality Act," 66 Stat. 163, 8 U.S.C.A. 1101. 1840

(BB) (1) "Crew leader" means an individual who furnishes 1841
individuals to perform agricultural labor for any other employer 1842
or farm operator, and: 1843

(a) Pays, either on the individual's own behalf or on 1844
behalf of the other employer or farm operator, the individuals 1845
so furnished by the individual for the service in agricultural 1846
labor performed by them; 1847

(b) Has not entered into a written agreement with the 1848
other employer or farm operator under which the agricultural 1849
worker is designated as in the employ of the other employer or 1850
farm operator. 1851

(2) For the purposes of this chapter, any individual who 1852
is a member of a crew furnished by a crew leader to perform 1853
service in agricultural labor for any other employer or farm 1854
operator shall be treated as an employee of the crew leader if: 1855

(a) The crew leader holds a valid certificate of 1856
registration under the "Farm Labor Contractor Registration Act 1857
of 1963," 90 Stat. 2668, 7 U.S.C. 2041; or 1858

(b) Substantially all the members of the crew operate or 1859
maintain tractors, mechanized harvesting or crop-dusting 1860
equipment, or any other mechanized equipment, which is provided 1861
by the crew leader; and 1862

(c) If the individual is not in the employment of the 1863
other employer or farm operator within the meaning of division 1864
(B) (1) of this section. 1865

(3) For the purposes of this division, any individual who 1866
is furnished by a crew leader to perform service in agricultural 1867
labor for any other employer or farm operator and who is not 1868
treated as in the employment of the crew leader under division 1869
(BB) (2) of this section shall be treated as the employee of the 1870
other employer or farm operator and not of the crew leader. The 1871
other employer or farm operator shall be treated as having paid 1872
cash remuneration to the individual in an amount equal to the 1873
amount of cash remuneration paid to the individual by the crew 1874
leader, either on the crew leader's own behalf or on behalf of 1875
the other employer or farm operator, for the service in 1876
agricultural labor performed for the other employer or farm 1877
operator. 1878

(CC) "Educational institution" means an institution other 1879
than an institution of higher education as defined in division 1880
(Y) of this section, including an educational institution 1881
operated by an Indian tribe, which: 1882

(1) Offers participants, trainees, or students an 1883
organized course of study or training designed to transfer to 1884
them knowledge, skills, information, doctrines, attitudes, or 1885
abilities from, by, or under the guidance of an instructor or 1886
teacher; and 1887

(2) Is approved, chartered, or issued a permit to operate 1888
as a school by the state board of education, other government 1889
agency, or Indian tribe that is authorized within the state to 1890
approve, charter, or issue a permit for the operation of a 1891
school. 1892

For the purposes of this division, the courses of study or 1893
training which the institution offers may be academic, 1894
technical, trade, or preparation for gainful employment in a 1895

recognized occupation. 1896

(DD) "Cost savings day" means any unpaid day off from work 1897
in which employees continue to accrue employee benefits which 1898
have a determinable value including, but not limited to, 1899
vacation, pension contribution, sick time, and life and health 1900
insurance. 1901

Sec. 4141.25. (A) The director of job and family services 1902
shall determine as of each computation date the contribution 1903
rate of each contributing employer subject to this chapter for 1904
the next succeeding contribution period. The director shall 1905
determine a standard rate of contribution or an experience rate 1906
for each contributing employer. Once a rate of contribution has 1907
been established under this section for a contribution period, 1908
except as provided in division (D) of section 4141.26 of the 1909
Revised Code, that rate shall remain effective throughout such 1910
contribution period. The rate of contribution shall be 1911
determined in accordance with the following requirements: 1912

(1) An employer whose experience does not meet the terms 1913
of division (A) (2) of this section shall be assigned a standard 1914
rate of contribution. Effective for contribution periods 1915
beginning on and after January 1, 1998, an employer's standard 1916
rate of contribution shall be a rate of two and seven-tenths per 1917
cent, except that the rate for employers engaged in the 1918
construction industry shall be the average contribution rate 1919
computed for the construction industry or a rate of two and 1920
seven-tenths per cent, whichever is greater. The standard rate 1921
set forth in this division shall be applicable to a nonprofit 1922
organization whose election to make payments in lieu of 1923
contributions is voluntarily terminated or canceled by the 1924
director under section 4141.241 of the Revised Code, and 1925

thereafter pays contributions as required by this section. If 1926
such nonprofit organization had been a contributory employer 1927
prior to its election to make payments in lieu of contributions, 1928
then any prior balance in the contributory account shall become 1929
part of the reactivated account. 1930

As used in division (A) of this section, "the average 1931
contribution rate computed for the construction industry" means 1932
the most recent annual average rate attributable to the 1933
construction industry as prescribed by the director. 1934

(2) A contributing employer subject to this chapter shall 1935
qualify for an experience rate only if there have been four 1936
consecutive quarters, ending on the thirtieth day of June 1937
immediately prior to the computation date, throughout which the 1938
employer's account was chargeable with benefits. Upon meeting 1939
the qualifying requirements provided in division (A)(2) of this 1940
section, the director shall calculate the total credits to each 1941
employer's account consisting of the contributions other than 1942
mutualized contributions including all contributions paid prior 1943
to the computation date for all past periods plus: 1944

(a) The contributions owing on the computation date that 1945
are paid within thirty days after the computation date, and 1946
credited to the employer's account; 1947

(b) All voluntary contributions paid by an employer 1948
pursuant to division (B) of section 4141.24 of the Revised Code. 1949

(3) The director also shall determine the benefits which 1950
are chargeable to each employer's account and which were paid 1951
prior to the computation date with respect to weeks of 1952
unemployment ending prior to the computation date. The director 1953
then shall determine the positive or negative balance of each 1954

employer's account by calculating the excess of such 1955
contributions and interest over the benefits chargeable, or the 1956
excess of such benefits over such contributions and interest. 1957
Any resulting negative balance then shall be subject to 1958
adjustment as provided in division (A) (2) of section 4141.24 of 1959
the Revised Code after which the positive or negative balance 1960
shall be expressed in terms of a percentage of the employer's 1961
average annual payroll. If the total standing to the credit of 1962
an employer's account exceeds the total charges, as provided in 1963
this division, the employer has a positive balance and if such 1964
charges exceed such credits the employer has a negative balance. 1965
Each employer's contribution rate shall then be determined in 1966
accordance with the following schedule: 1967

Contribution Rate Schedule 1968

If, as of the computation date The employer's 1969
the contribution rate balance of contribution rate for 1970
an employer's account as a the next succeeding 1971
percentage of the employer's contribution period 1972
average annual payroll is shall be 1973

(a) A negative balance of:		1974
20.0% or more	6.5%	1975
19.0% but less than 20.0%	6.4%	1976
17.0% but less than 19.0%	6.3%	1977
15.0% but less than 17.0%	6.2%	1978
13.0% but less than 15.0%	6.1%	1979
11.0% but less than 13.0%	6.0%	1980
9.0% but less than 11.0%	5.9%	1981
5.0% but less than 9.0%	5.7%	1982
4.0% but less than 5.0%	5.5%	1983
3.0% but less than 4.0%	5.3%	1984
2.0% but less than 3.0%	5.1%	1985

	1.0% but less than 2.0%	4.9%	1986
	more than 0.0% but less than 1.0%	4.8%	1987
(b)	A 0.0% or a positive		1988
	balance of less than 1.0%	4.7%	1989
(c)	A positive balance of:		1990
	1.0% or more, but less than 1.5%	4.6%	1991
	1.5% or more, but less than 2.0%	4.5%	1992
	2.0% or more, but less than 2.5%	4.3%	1993
	2.5% or more, but less than 3.0%	4.0%	1994
	3.0% or more, but less than 3.5%	3.8%	1995
	3.5% or more, but less than 4.0%	3.5%	1996
	4.0% or more, but less than 4.5%	3.3%	1997
	4.5% or more, but less than 5.0%	3.0%	1998
	5.0% or more, but less than 5.5%	2.8%	1999
	5.5% or more, but less than 6.0%	2.5%	2000
	6.0% or more, but less than 6.5%	2.2%	2001
	6.5% or more, but less than 7.0%	2.0%	2002
	7.0% or more, but less than 7.5%	1.8%	2003
	7.5% or more, but less than 8.0%	1.6%	2004
	8.0% or more, but less than 8.5%	1.4%	2005
	8.5% or more, but less than 9.0%	1.3%	2006
	9.0% or more, but less than 9.5%	1.1%	2007
	9.5% or more, but less than 10.0%	1.0%	2008
	10.0% or more, but less than 10.5%	.9%	2009
	10.5% or more, but less than 11.0%	.7%	2010
	11.0% or more, but less than 11.5%	.6%	2011
	11.5% or more, but less than 12.0%	.5%	2012
	12.0% or more, but less than 12.5%	.4%	2013
	12.5% or more, but less than 13.0%	.3%	2014
	13.0% or more, but less than 14.0%	.2%	2015
	14.0% or more	.1%	2016

(d) The contribution rates shall be as specified in 2017
divisions (a), (b), and (c) of the contribution rate schedule 2018
except that notwithstanding the amendments made to division (a) 2019
of the contribution rate schedule in this section, if, as of the 2020
computation date: for 1991, the negative balance is 5.0% or 2021
more, the contribution rate shall be 5.7%; for 1992, if the 2022
negative balance is 11.0% or more, the contribution rate shall 2023
be 6.0%; and for 1993, if the negative balance is 17.0% or more, 2024
the contribution rate shall be 6.3%. Thereafter, the 2025
contribution rates shall be as specified in the contribution 2026
rate schedule. 2027

(B) (1) The director shall establish and maintain a 2028
separate account to be known as the "mutualized account." As of 2029
each computation date there shall be charged to this account: 2030

(a) As provided in division (A) (2) of section 4141.24 of 2031
the Revised Code, an amount equal to the sum of that portion of 2032
the negative balances of employer accounts which exceeds the 2033
applicable limitations as such balances are computed under 2034
division (A) of this section as of such date; 2035

(b) An amount equal to the sum of the negative balances 2036
remaining in employer accounts which have been closed during the 2037
year immediately preceding such computation date pursuant to 2038
division (E) of section 4141.24 of the Revised Code; 2039

(c) An amount equal to the sum of all benefits improperly 2040
paid preceding such computation date which are not recovered but 2041
which are not charged to an employer's account, or which after 2042
being charged, are credited back to an employer's account; 2043

(d) An amount equal to the sum of any other benefits paid 2044
preceding such computation date which, under this chapter, are 2045

not chargeable to an employer's account; 2046

(e) An amount equal to the sum of any refunds made during 2047
the year immediately preceding such computation date of 2048
erroneously collected mutualized contributions required by this 2049
division which were previously credited to this account; 2050

(f) An amount equal to the sum of any repayments made to 2051
the federal government during the year immediately preceding 2052
such computation date of amounts which may have been advanced by 2053
it to the unemployment compensation fund under section 1201 of 2054
the "Social Security Act," 49 Stat. 648 (1935), 42 U.S.C. 301; 2055

(g) Any amounts appropriated by the general assembly out 2056
of funds paid by the federal government, under section 903 of 2057
the "Social Security Act," to the account of this state in the 2058
federal unemployment trust fund. 2059

(2) As of every computation date there shall be credited 2060
to the mutualized account provided for in this division: 2061

(a) The proceeds of the mutualized contributions as 2062
provided in this division; 2063

(b) Any positive balances remaining in employer accounts 2064
which are closed as provided in division (E) of section 4141.24 2065
of the Revised Code; 2066

(c) Any benefits improperly paid which are recovered but 2067
which cannot be credited to an employer's account; 2068

(d) All amounts which may be paid by the federal 2069
government under section 903 of the "Social Security Act" to the 2070
account of this state in the federal unemployment trust fund; 2071

(e) Amounts advanced by the federal government to the 2072
account of this state in the federal unemployment trust fund 2073

under section 1201 of the "Social Security Act" to the extent 2074
such advances have been repaid to or recovered by the federal 2075
government; 2076

(f) Interest credited to the Ohio unemployment trust fund 2077
as deposited with the secretary of the treasury of the United 2078
States; 2079

(g) Amounts deposited into the unemployment compensation 2080
fund for penalties collected pursuant to division (A) (4) of 2081
section 4141.35 of the Revised Code. 2082

(3) Annually, as of the computation date, the director 2083
shall determine the total credits and charges made to the 2084
mutualized account during the preceding twelve months and the 2085
overall condition of the account. The director shall issue an 2086
annual statement containing this information and such other 2087
information as the director deems pertinent, including a report 2088
that the sum of the balances in the mutualized account, 2089
employers' accounts, and any subsidiary accounts equal the 2090
balance in the state's unemployment trust fund maintained under 2091
section 904 of the "Social Security Act." 2092

(4) As used in this division: 2093

(a) "Fund as of the computation date" means as of any 2094
computation date, the aggregate amount of the unemployment 2095
compensation fund, including all contributions owing on the 2096
computation date that are paid within thirty days thereafter, 2097
all payments in lieu of contributions that are paid within sixty 2098
days after the computation date, all reimbursements of the 2099
federal share of extended benefits described in section 4141.301 2100
of the Revised Code that are owing on the computation date, and 2101
all interest earned by the fund and received on or before the 2102

computation date from the federal government. 2103

(b) "Minimum safe level" means an amount equal to two 2104
standard deviations above the average of the adjusted annual 2105
average unemployment compensation benefit payment from 1970 to 2106
the most recent calendar year prior to the computation date, as 2107
determined by the director pursuant to division (B) (4) (b) of 2108
this section. To determine the adjusted annual payment of 2109
unemployment compensation benefits, the director first shall 2110
multiply the number of weeks compensated during each calendar 2111
year beginning with 1970 by the most recent annual average 2112
weekly unemployment compensation benefit payment and then 2113
compute the average and standard deviation of the resultant 2114
products. 2115

(c) "Annual average weekly unemployment compensation 2116
benefit payment" means the amount resulting from dividing the 2117
unemployment compensation benefits paid from the benefit account 2118
maintained within the unemployment compensation fund pursuant to 2119
section 4141.09 of the Revised Code, by the number of weeks 2120
compensated during the same time period. 2121

(5) If, as of any computation date, the charges to the 2122
mutualized account during the entire period subsequent to the 2123
computation date, July 1, 1966, made in accordance with division 2124
(B) (1) of this section, exceed the credits to such account 2125
including mutualized contributions during such period, made in 2126
accordance with division (B) (2) of this section, the amount of 2127
such excess charges shall be recovered during the next 2128
contribution period. To recover such amount, the director shall 2129
compute the percentage ratio of such excess charges to the 2130
average annual payroll of all employers eligible for an 2131
experience rate under division (A) of this section. The 2132

percentage so determined shall be computed to the nearest tenth 2133
of one per cent and shall be an additional contribution rate to 2134
be applied to the wages paid by each employer whose rate is 2135
computed under the provisions of division (A) of this section in 2136
the contribution period next following such computation date, 2137
but such percentage shall not exceed five-tenths of one per 2138
cent; however, when there are any excess charges in the 2139
mutualized account, as computed in this division, then the 2140
mutualized contribution rate shall not be less than one-tenth of 2141
one per cent. 2142

(6) If the fund as of the computation date is above or 2143
below minimum safe level, the contribution rates provided for in 2144
each classification in division (A) (3) of this section for the 2145
next contribution period shall be adjusted as follows: 2146

(a) If the fund is thirty per cent or more above minimum 2147
safe level, the contribution rates provided in division (A) (3) 2148
of this section shall be decreased two-tenths of one per cent. 2149

(b) If the fund is more than fifteen per cent but less 2150
than thirty per cent above minimum safe level, the contribution 2151
rates provided in division (A) (3) of this section shall be 2152
decreased one-tenth of one per cent. 2153

(c) If the fund is more than fifteen per cent but less 2154
than thirty per cent below minimum safe level, the contribution 2155
rates of all employers shall be increased twenty-five one- 2156
thousandths of one per cent plus a per cent increase calculated 2157
and rounded pursuant to division (B) (6) (g) of this section. 2158

(d) If the fund is more than thirty per cent but less than 2159
forty-five per cent below minimum safe level, the contribution 2160
rates of all employers shall be increased seventy-five one- 2161

thousandths of one per cent plus a per cent increase calculated 2162
and rounded pursuant to division (B) (6) (g) of this section. 2163

(e) If the fund is more than forty-five per cent but less 2164
than sixty per cent below minimum safe level, the contribution 2165
rates of all employers shall be increased one-eighth of one per 2166
cent plus a per cent increase calculated and rounded pursuant to 2167
division (B) (6) (g) of this section. 2168

(f) If the fund is sixty per cent or more below minimum 2169
safe level, the contribution rates of all employers shall be 2170
increased two-tenths of one per cent plus a per cent increase 2171
calculated and rounded pursuant to division (B) (6) (g) of this 2172
section. 2173

(g) The additional per cent increase in contribution rates 2174
required by divisions (B) (6) (c), (d), (e), and (f) of this 2175
section that is payable by each individual employer shall be 2176
calculated in the following manner. The flat rate increase 2177
required by a particular division shall be ~~increased by the~~ 2178
~~amount required under division (B) (7) of this section, if~~ 2179
~~applicable, and that sum shall be multiplied by three and the~~ 2180
product divided by the average experienced-rated contribution 2181
rate for all employers as determined by the director for the 2182
most recent calendar year. The resulting quotient shall be 2183
multiplied by an individual employer's contribution rate 2184
determined pursuant to division (A) (3) of this section. The 2185
resulting product shall be rounded to the nearest tenth of one 2186
per cent, added to the flat rate increase required by division 2187
(B) (6) (c), (d), (e), or (f) of this section, as appropriate, and 2188
the total shall be rounded to the nearest tenth of one per cent. 2189
As used in division (B) (6) (g) of this section, the "average 2190
experienced-rated contribution rate" means the most recent 2191

annual average contribution rate reported by the director 2192
contained in report RS 203.2 less the mutualized and minimum 2193
safe level contribution rates included in such rate. 2194

(h) If any of the increased contribution rates of division 2195
(B) (6) (c), (d), (e), or (f) of this section are imposed, the 2196
rate shall remain in effect for the calendar year in which it is 2197
imposed and for each calendar year thereafter until the director 2198
determines as of the computation date for calendar year 1991 and 2199
as of the computation date for any calendar year thereafter 2200
pursuant to this section, that the level of the unemployment 2201
compensation fund equals or exceeds the minimum safe level as 2202
defined in division (B) (4) (b) of this section. Nothing in 2203
division (B) (6) (h) of this section shall be construed as 2204
restricting the imposition of the increased contribution rates 2205
provided in divisions (B) (6) (c), (d), (e), and (f) of this 2206
section if the fund falls below the percentage of the minimum 2207
safe level as specified in those divisions. 2208

~~(7) (a) If, as of the computation date, an outstanding 2209
balance for advances made to the state under section 1201 of the 2210
"Social Security Act," 42 U.S.C. 1321, exists, the contribution 2211
rates of all contributory employers subject to an experience 2212
rate under division (A) (2) of this section shall be increased, 2213
as determined by the director, in an amount up to five tenths of 2214
one per cent for the purpose of eliminating the principal on any 2215
outstanding balance of the advances. 2216~~

~~(b) If the increase in contribution rates under division 2217
(B) (7) (a) of this section is imposed, the increase shall remain 2218
in effect for each calendar year thereafter until the earlier of 2219
the following: 2220~~

~~(i) The principal on any outstanding balance of the 2221~~

~~advances has been eliminated.~~ 2222

~~(ii) The director determines that the total credits 2223
allowable against the tax imposed by section 3301 of the 2224
"Federal Unemployment Tax Act," 26 U.S.C. 3301, for employers of 2225
the state will be reduced pursuant to section 3302(c) (2) of the 2226
"Federal Unemployment Tax Act," 26 U.S.C. 3302(c) (2) for that 2227
calendar year.~~ 2228

~~(8)~~ The additional contributions required by division (B) 2229
(5) of this section shall be credited to the mutualized account. 2230
The additional contributions required by ~~divisions~~ division (B) 2231
(6) ~~and (7)~~ of this section shall be credited fifty per cent to 2232
individual employer accounts and fifty per cent to the 2233
mutualized account. 2234

(C) If an employer makes a payment of contributions which 2235
is less than the full amount required by this section and 2236
sections 4141.23, 4141.24, 4141.241, 4141.242, 4141.25, 4141.26, 2237
and 4141.27 of the Revised Code, such partial payment shall be 2238
applied first against the mutualized contributions required 2239
under this chapter. Any remaining partial payment shall be 2240
credited to the employer's individual account. 2241

(D) Whenever there are any increases in contributions 2242
resulting from an increase in wages subject to contributions as 2243
defined in division (G) of section 4141.01 of the Revised Code, 2244
or from an increase in the mutualized rate of contributions 2245
provided in division (B) of this section, or from a revision of 2246
the contribution rate schedule provided in division (A) of this 2247
section, except for that portion of the increase attributable to 2248
a change in the positive or negative balance in an employer's 2249
account, which increases become effective after a contract for 2250
the construction of real property, as defined in section 5701.02 2251

of the Revised Code, has been entered into, the contractee upon 2252
written notice by a prime contractor shall reimburse the 2253
contractor for all increased contributions paid by the prime 2254
contractor or by subcontractors upon wages for services 2255
performed under the contract. Upon reimbursement by the 2256
contractee to the prime contractor, the prime contractor shall 2257
reimburse each subcontractor for the increased contributions. 2258

(E) Effective only for the contribution period beginning 2259
on January 1, 1996, and ending on December 31, 1996, mutualized 2260
contributions collected or received by the director pursuant to 2261
division (B) (5) of this section and amounts credited to the 2262
mutualized account pursuant to division (B) ~~(8)~~ (7) of this 2263
section shall be deposited into or credited to the unemployment 2264
compensation benefit reserve fund that is created under division 2265
(F) of this section, except that amounts collected, received, or 2266
credited in excess of two hundred million dollars shall be 2267
deposited into or credited to the unemployment trust fund 2268
established pursuant to section 4141.09 of the Revised Code. 2269

(F) The state unemployment compensation benefit reserve 2270
fund is hereby created as a trust fund in the custody of the 2271
treasurer of state and shall not be part of the state treasury. 2272
The fund shall consist of all moneys collected or received as 2273
mutualized contributions pursuant to division (B) (5) of this 2274
section and amounts credited to the mutualized account pursuant 2275
to division (B) ~~(8)~~ (7) of this section as provided by division 2276
(E) of this section. All moneys in the fund shall be used solely 2277
to pay unemployment compensation benefits in the event that 2278
funds are no longer available for that purpose from the 2279
unemployment trust fund established pursuant to section 4141.09 2280
of the Revised Code. 2281

(G) The balance in the unemployment compensation benefit 2282
reserve fund remaining at the end of the contribution period 2283
beginning January 1, 2000, and any mutualized contribution 2284
amounts for the contribution period beginning on January 1, 2285
1996, that may be received after December 31, 2000, shall be 2286
deposited into the unemployment trust fund established pursuant 2287
to section 4141.09 of the Revised Code. Income earned on moneys 2288
in the state unemployment compensation benefit reserve fund 2289
shall be available for use by the director only for the purposes 2290
described in division (I) of this section, and shall not be used 2291
for any other purpose. 2292

(H) The unemployment compensation benefit reserve fund 2293
balance shall be added to the unemployment trust fund balance in 2294
determining the minimum safe level tax to be imposed pursuant to 2295
division (B) of this section and shall be included in the 2296
mutualized account balance for the purpose of determining the 2297
mutualized contribution rate pursuant to division (B) (5) of this 2298
section. 2299

(I) All income earned on moneys in the unemployment 2300
compensation benefit reserve fund from the investment of the 2301
fund by the treasurer of state shall accrue to the department of 2302
job and family services automation administration fund, which is 2303
hereby established in the state treasury. Moneys within the 2304
automation administration fund shall be used to meet the costs 2305
related to automation of the department and the administrative 2306
costs related to collecting and accounting for unemployment 2307
compensation benefit reserve fund revenue. Any funds remaining 2308
in the automation administration fund upon completion of the 2309
department's automation projects that are funded by that fund 2310
shall be deposited into the unemployment trust fund established 2311
pursuant to section 4141.09 of the Revised Code. 2312

(J) The director shall prepare and submit monthly reports 2313
to the unemployment compensation advisory commission with 2314
respect to the status of efforts to collect and account for 2315
unemployment compensation benefit reserve fund revenue and the 2316
costs related to collecting and accounting for that revenue. The 2317
director shall obtain approval from the unemployment 2318
compensation advisory commission for expenditure of funds from 2319
the department of job and family services automation 2320
administration fund. Funds may be approved for expenditure for 2321
purposes set forth in division (I) of this section only to the 2322
extent that federal or other funds are not available. 2323

Sec. 4141.30. (A) All benefits shall be paid through 2324
public employment offices in accordance with such rules as the 2325
director of job and family services prescribes. 2326

(B) With the exceptions in division (B) (4) of this 2327
section, benefits are payable to each eligible and qualified 2328
individual on account of each week of involuntary total 2329
unemployment after the specified waiting period at the weekly 2330
benefit amount determined by: 2331

(1) Computing the individual's average weekly wage as 2332
defined in division (O) (2) of section 4141.01 of the Revised 2333
Code; 2334

(2) Determining the individual's dependency class under 2335
division (E) of this section; 2336

(3) Computing the individual's weekly benefit amount to be 2337
fifty per cent of the individual's average weekly wage except, 2338
that the individual's weekly benefit amount shall not exceed the 2339
maximum amount shown for the individual's dependency class in 2340
the following table: 2341

Maximum Weekly	2342
Dependency Class Benefit Amount	2343
A \$147	2344
B 223	2345
C 233	2346
Effective Sunday of the calendar week in which January 1,	2347
1988, occurs and on each similar day of each year thereafter,	2348
the current maximum weekly benefit amount for each dependency	2349
class shall be adjusted based on the statewide average weekly	2350
wage. Any percentage increase in such statewide average weekly	2351
wage between the wage computed for the current year and the wage	2352
computed for the preceding year shall be used to increase the	2353
maximum amounts then in effect by the same percentage. Such	2354
increased amounts will be effective with respect to applications	2355
<u>applications</u> for benefit rights filed during the fifty-two	2356
consecutive calendar weeks beginning with such Sunday date.	2357
The director shall calculate the statewide average weekly	2358
wage based on the average weekly earnings of all workers in	2359
employment subject to this chapter during the preceding twelve-	2360
month period ending the thirtieth day of June. The calculation	2361
shall be made in the following manner:	2362
(a) The sum of the total monthly employment reported for	2363
the previous twelve-month period shall be divided by twelve to	2364
determine the average monthly employment;	2365
(b) The sum of the total wages reported for the previous	2366
twelve-month period shall be divided by the average monthly	2367
employment to determine the average annual wage;	2368
(c) The average annual wage shall be divided by fifty-two	2369
to determine the statewide average weekly wage.	2370

In the computation of the weekly benefit amount, any 2371
resulting amount not a multiple of one dollar shall be rounded 2372
to the next lower multiple of one dollar. In the computation of 2373
the adjusted maximum benefit amounts, based on the statewide 2374
average weekly wage, any resulting amount not a multiple of one 2375
dollar shall be rounded to the next lower multiple of one 2376
dollar. 2377

(4) Effective Sunday of the calendar week in which January 2378
1, occurs for calendar years 1988 through 1993, the maximum 2379
weekly benefit amount payable for an individual's dependency 2380
class for those years shall be computed in accordance with this 2381
division, with an additional increase added to the prior year's 2382
increase equal to one-sixth of total percentage increase that 2383
otherwise would have been available in calendar years 1983, 2384
1984, 1985, 1986, and 1987, if in those years an adjustment in 2385
the maximum weekly benefit amount would have been made pursuant 2386
to this division. 2387

(5) Effective Sunday of the calendar week in which January 2388
1, 1991, occurs, the maximum weekly benefit amounts computed 2389
under divisions (B) (3) and (4) of this section shall not exceed 2390
the following amounts: 2391

(a) For dependency class A, fifty per cent of the 2392
statewide average weekly wage; 2393

(b) For dependency class B, sixty per cent of the 2394
statewide average weekly wage; 2395

(c) For dependency class C, sixty-six and two-thirds per 2396
cent of the statewide average weekly wage. 2397

Division (B) (5) of this section applies to all new claims 2398
filed on and after the Sunday of the calendar week in which 2399

January 1, 1991, occurs, provided that the maximum weekly 2400
benefit amounts established for the dependency classes prior to 2401
such date apply to all claims until the maximum weekly benefit 2402
amounts as determined pursuant to division (B) (5) of this 2403
section equal or exceed the maximum weekly benefit amounts in 2404
effect prior to such date. 2405

(6) For the time period beginning on January 1, 2018, and 2406
ending January 1, 2020, no individual's weekly benefit amount 2407
shall exceed the maximum weekly benefit amounts in effect on the 2408
effective date of this section. 2409

(C) Benefits are payable to each partially unemployed 2410
individual otherwise eligible on account of each week of 2411
involuntary partial unemployment after the specified waiting 2412
period in an amount equal to the individual's weekly benefit 2413
amount less that part of the remuneration payable to the 2414
individual with respect to such week which is in excess of 2415
twenty per cent of the individual's weekly benefit amount, and 2416
the resulting amount rounded to the next lower multiple of one 2417
dollar. 2418

(D) The total benefits to which an individual is entitled 2419
in any benefit year, whether for partial or total unemployment, 2420
or both, shall not exceed the lesser of the following two 2421
amounts: (1) an amount equal to twenty-six times the 2422
individual's weekly benefit amount determined in accordance with 2423
division (B) of this section and this division, or (2) an amount 2424
computed by taking the sum of twenty times the individual's 2425
weekly benefit amount for the first twenty base period 2426
qualifying weeks plus one times the weekly benefit amount for 2427
each additional qualifying week beyond the first twenty 2428
qualifying weeks in the individual's base period. 2429

(E) Each eligible and qualified individual shall be 2430
assigned a dependency class in accordance with the following 2431
schedule: 2432

Class Description of Dependents 2433

A No dependents, or has 2434
insufficient wages to qualify 2435
for more than the maximum 2436
weekly benefit amount as 2437
provided under dependency 2438
class A 2439

B One or two dependents 2440

C Three or more dependents 2441

As used in this division "dependent" means: 2442

(1) Any natural child, stepchild, or adopted child of the 2443
individual claiming benefits for whom such individual at the 2444
beginning of the individual's current benefit year is supplying 2445
and for at least ninety consecutive days, or for the duration of 2446
the parental relationship if it existed less than ninety days, 2447
immediately preceding the beginning of such benefit year, has 2448
supplied more than one-half of the cost of support and if such 2449
child on the beginning date of such benefit year was under 2450
eighteen years of age, or if unable to work because of permanent 2451
physical or mental disability; 2452

(2) The legally married wife or husband of the individual 2453
claiming benefits for whom more than one-half the cost of 2454
support has been supplied by such individual for at least ninety 2455
consecutive days, or for the duration of the marital 2456
relationship if it has existed for less than ninety days, 2457
immediately preceding the beginning of such individual's current 2458
benefit year and such wife or husband was living with such 2459

individual and had an average weekly income, in such period, not 2460
in excess of twenty-five per cent of the claimant's average 2461
weekly wage. 2462

(3) If both the husband and wife qualify for benefit 2463
rights with overlapping benefit years, only one of them may 2464
qualify for a dependency class other than A. 2465

Sec. 4175.01. As used in this chapter: 2466

(A) "Climbing facility operator" means a person who owns, 2467
manages, controls, directs, or has operational responsibility 2468
for a climbing facility. 2469

(B) "Climber" means a person in a climbing facility for 2470
the purpose of recreational or competitive climbing. "Climber" 2471
includes any person entering a climbing facility as an invitee, 2472
whether or not the person pays consideration to enter. 2473

(C) "Climbing facility" means a facility or premises used 2474
by the public not located in an amusement park, carnival, or on 2475
public land designed and built for the sport of rock climbing, 2476
recreational climbing, or competitive climbing, including 2477
ascending, descending, and traversing over simulated rock 2478
surfaces that use belay systems in their normal operation. 2479

(D) "Floor supervisor" means an employee of the climbing 2480
facility who has responsibility for all of the following: 2481

(1) Observing, supervising, or monitoring activity in the 2482
climbing facility; 2483

(2) Instructing or assisting climbers in the climbing 2484
facility; 2485

(3) Enforcing the climbing facility's rules. 2486

(E) "Personal protective equipment" means clothing, garments, harnesses, or other items designed to protect a climber from injury while rock climbing. 2487
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(F) "Spectator" means a person who is present in a climbing facility only for the purpose of observing recreational or competitive climbing. 2490
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Sec. 4175.02. The general assembly finds that the sport of rock climbing is practiced by a large number of Ohio citizens, provides a wholesome and healthy family activity that should be encouraged, promotes physical fitness, and significantly contributes to the economy of this state. The general assembly further finds that the sport of rock climbing contains both inherent and other risks that can be hazardous to climbers and that those other risks should be managed. Therefore, defining the duties and responsibilities of climbing facility operators and climbers is in the public interest. 2493
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Sec. 4175.03. Each climbing facility operator shall do all of the following: 2503
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(A) Maintain a policy of liability insurance in accordance with section 4175.08 of the Revised Code; 2505
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(B) Comply with all manufacturer instructions and requirements regarding the manufactured climbing wall, including the operation, inspection, repair, modification, or replacement of the wall or a component of the wall; 2507
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(C) Comply with all manufacturer instructions and requirements for use of climbing facility-owned personal protective equipment, including the operation, inspection, repair, modification, or replacement of the personal protective equipment; 2511
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(D) Post rules and warnings for climbers and spectators. 2516
The rules and warnings must be clearly legible and be in a 2517
conspicuous location in the climbing facility. 2518

(E) Conduct an orientation of the climbing facility for 2519
all climbers. The orientation shall contain a notice of climber 2520
responsibility as described in section 4175.05 of the Revised 2521
Code. 2522

(F) Maintain the walls, flooring, anchors, holds, ropes, 2523
connectors, and facility-owned personal protective equipment in 2524
serviceable condition; 2525

(G) Conduct criminal history inquiries of all individuals 2526
eighteen years of age or older who seek employment for the 2527
positions of manager, assistant manager, instructor, route 2528
setter, coach, assistant coach, or similar positions. The 2529
climbing facility owner shall require each applicant for 2530
employment in these positions who are eighteen years of age or 2531
older to provide consent to a criminal records check, in 2532
accordance with section 109.572 of the Revised Code, as part of 2533
the applicant's application for employment. The bureau of 2534
criminal identification and investigation shall comply with a 2535
criminal records check made pursuant to this section. 2536

(H) Maintain sufficient staffing to control access to the 2537
facility, supervise the facility during its hours of operation, 2538
and provide emergency assistance as needed; 2539

(I) Maintain sufficient records for the operation of the 2540
climbing facility, including: 2541

(1) A record of all purchases of facility-owned personal 2542
protective equipment; 2543

(2) A record of all inspections, maintenance, or repairs 2544

<u>conducted on the manufactured climbing wall, excluding holds;</u>	2545
<u>(3) A record of all inspections on facility-owned personal protective equipment.</u>	2546
<u>(J) Comply with all applicable state and local building, fire, and zoning requirements;</u>	2548
<u>(K) (1) Conduct inspections of the manufactured climbing wall per the manufacturer's instructions or every four years, whichever is sooner;</u>	2550
<u>(2) The inspection shall be conducted by either of the following:</u>	2553
<u>(a) The manufacturer or the manufacturer's representative;</u>	2554
<u>(b) A licensed professional engineer.</u>	2555
<u>(3) Evidence of such an inspection shall be filed with the department of commerce.</u>	2556
<u>Sec. 4175.04. (A) Climbing facility employees shall have adequate knowledge of the following:</u>	2557
<u>(1) The manufactured climbing wall, including any requirements of the climbing wall manufacturer or the climbing facility owner or operator;</u>	2558
<u>(2) The facility-owned personal protective equipment prior to use, including the equipment manufacturer's instructions;</u>	2559
<u>(3) The location of all safety equipment, such as first aid kits, fire extinguishers, and the nearest telephone for routine or emergency service;</u>	2560
<u>(4) The climbing facility's emergency procedures.</u>	2561
<u>(B) Climbing facility employees shall perform a daily pre-</u>	2562
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<u>use visual inspection of the climbing facility.</u>	2571
<u>(C) The climbing facility floor supervisor shall do all of</u>	2572
<u>the following while on duty:</u>	2573
<u>(1) Be in a position to observe the facility;</u>	2574
<u>(2) Monitor activity in the facility;</u>	2575
<u>(3) Assist climbers in meeting the responsibilities for</u>	2576
<u>climbers established in section 4175.05 of the Revised Code;</u>	2577
<u>(4) Issue warnings, reprimands, or penalties to climbers</u>	2578
<u>for violations of section 4175.05 of the Revised Code.</u>	2579
<u>(D) No person shall act as a floor supervisor unless the</u>	2580
<u>person has received the training appropriate for the duties</u>	2581
<u>established in division (C) of this section.</u>	2582
<u>(E) No climbing facility employee shall work at the</u>	2583
<u>facility while under the influence of alcohol or a controlled</u>	2584
<u>substance.</u>	2585
<u>Sec. 4175.05. (A) Each climber acknowledges that there are</u>	2586
<u>inherent and other risks associated with participation in the</u>	2587
<u>sport of rock climbing. Each climber accepts the inherent and</u>	2588
<u>other risks of climbing, of which a reasonably prudent person is</u>	2589
<u>aware.</u>	2590
<u>(B) Each climber shall comply with all of the following:</u>	2591
<u>(1) Read all warnings and obey all rules of the climbing</u>	2592
<u>facility;</u>	2593
<u>(2) Obey all written and oral warnings and instructions of</u>	2594
<u>facility staff;</u>	2595
<u>(3) Read and follow the manufacturer's instructions for</u>	2596
<u>use of personal protective equipment;</u>	2597

(4) Prior to each use, inspect any personal protective equipment used by the climber, and replace the equipment as needed and according to the manufacturer's instructions; 2598
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(5) Refrain from acting in a manner that may cause or contribute to the injury of the climber or any other person; 2601
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(6) Exercise good judgment and act in a responsible manner while climbing. 2603
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(C) No climber shall climb while under the influence of alcohol or a controlled substance. 2605
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Sec. 4175.06. Climbers have knowledge of and expressly assume the risks and legal responsibility for any losses that result from any of the following: 2607
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(A) Falls and crashes into the climbing wall, holds, rocks, or other obstacles; 2610
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(B) Risks associated with crossing or climbing up or down; 2612

(C) Equipment failure; 2613

(D) The climber's physical strength, coordination, sense of balance, and ability to follow or give directions while climbing, belaying, lifting, or spotting; 2614
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(E) Fatigue, chill, or dizziness; 2617

(F) The actions of other individuals, which are not attributable to a breach of the climbing facility operator's duties under section 4175.03 or 4175.08 of the Revised Code. 2618
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Sec. 4175.07. The express assumption of risk established in section 4175.06 of the Revised Code serves as a complete defense against liability in a tort or other civil action against a climbing facility operator by a climber for injuries 2621
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resulting from the assumed risks of climbing enumerated in that 2625
section. The contributory fault provisions of sections 2315.32 2626
to 2315.36 of the Revised Code do not apply unless the operator 2627
has breached the operator's duties under section 4175.03 or 2628
4175.08 of the Revised Code. 2629

Sec. 4175.08. (A) The owner of a climbing facility shall 2630
file with the department of commerce a certificate of insurance 2631
evidencing that each climbing facility owned by the owner has 2632
liability insurance in effect with an insurer authorized or 2633
approved to write such insurance in this state. 2634

(B) The insurance policy required by division (A) of this 2635
section shall provide coverage in the following amounts: 2636

(1) Not less than five hundred thousand dollars because of 2637
bodily injury or death of one person in each occurrence; 2638

(2) Not less than one million dollars because of bodily 2639
injury to or death of two or more persons in each occurrence. 2640

(C) The insurance policy required by division (A) of this 2641
section may include a deductible clause, provided that any 2642
settlement made by the insurance company with an injured party 2643
or the injured party's legal representative shall be paid as 2644
though the deductible clause did not apply. 2645

(D) Each policy, by its original terms or an endorsement, 2646
shall do both of the following: 2647

(1) Obligate the insurer that the insurer will not cancel 2648
the policy without thirty days' written notice and a complete 2649
report of the reasons for such cancellation being given to the 2650
department; 2651

(2) Obligate the insurer that the insurer will, within 2652

twenty-four hours, report to the department if it pays a claim 2653
or reserves any amount to pay an anticipated claim that reduces 2654
the liability insurance coverage to a limit of less than one 2655
million dollars because of bodily injury to or death of two or 2656
more persons in each occurrence. 2657

(E) If the insurance policy is canceled during its term or 2658
lapses for any reason, including coverage reduced below the 2659
required amount, the owner shall replace the policy with another 2660
policy fully complying with the requirements of this section 2661
prior to permitting a climber to use the climbing facility. 2662

(F) If the owner fails to file a certificate of insurance 2663
for new or replacement insurance, the owner shall cease all 2664
operations under the permit immediately upon the cancellation or 2665
lapse of the insurance and further obligations shall not be 2666
conducted without the specific approval of the department, which 2667
shall be given after the owner has complied with this section. 2668

Sec. 4727.02. No person shall act as a pawnbroker, or 2669
advertise, transact, or solicit business as a pawnbroker, 2670
without first having obtained a license from the superintendent 2671
of financial institutions. A person shall obtain a separate 2672
license for each place of business at which the person acts or 2673
transacts business as a pawnbroker. 2674

Sec. 4727.03. (A) As used in this section, "experience and 2675
fitness in the capacity involved" means that the applicant for a 2676
pawnbroker's license demonstrates sufficient financial 2677
responsibility, reputation, and experience in the pawnbroker 2678
business, or in a related business, to act as a pawnbroker in 2679
compliance with this chapter. "Experience and fitness in the 2680
capacity involved" shall be determined by: 2681

(1) Prior or current ownership or management of, or 2682
employment in, a pawnshop; 2683

(2) Demonstration to the satisfaction of the 2684
superintendent of financial institutions of a thorough working 2685
knowledge of all pawnbroker laws and rules as they relate to the 2686
actual operation of a pawnshop. 2687

A demonstration shall include a demonstration of an 2688
ability to properly complete forms, knowledge of how to properly 2689
calculate interest and storage charges, and knowledge of legal 2690
notice and forfeiture procedures. The final determination of 2691
whether an applicant's demonstration is adequate rests with the 2692
superintendent. 2693

(3) A submission by the applicant and any stockholders, 2694
owners, managers, directors, or officers of the pawnshop, and 2695
employees of the applicant to a police record check; and 2696

(4) Liquid assets in a minimum amount of one hundred 2697
twenty-five thousand dollars at the time of applying for initial 2698
licensure and demonstration of the ability to maintain the 2699
liquid assets at a minimum amount of ~~fifty-seventy-five~~ thousand 2700
dollars for the duration of holding a valid pawnbroker's 2701
license. If an applicant holds a pawnbroker's license at the 2702
time of application or is applying for more than one license, 2703
this requirement shall be met separately for each license. 2704

(B) The superintendent may grant a license to act as a 2705
pawnbroker to any person of good character and having experience 2706
and fitness in the capacity involved to engage in the business 2707
of pawnbroking upon the payment to the superintendent of a 2708
license fee determined by the superintendent pursuant to section 2709
1321.20 of the Revised Code. A license is not transferable or 2710

assignable. 2711

(C) The superintendent may consider an application 2712
withdrawn and may retain the investigation fee required under 2713
division (D) of this section if both of the following are true: 2714

(1) An application for a license does not contain all of 2715
the information required under division (B) of this section. 2716

(2) The information is not submitted to the superintendent 2717
within ninety days after the superintendent requests the 2718
information from the applicant in writing. 2719

(D) The superintendent shall require an applicant for a 2720
pawnbroker's license to pay to the superintendent a 2721
nonrefundable initial investigation fee of two hundred dollars, 2722
which is for the exclusive use of the state. 2723

(E) (1) Except as otherwise provided in division (E) (2) of 2724
this section, a pawnbroker's license issued by the 2725
superintendent expires on the thirtieth day of June next 2726
following the date of its issuance, and may be renewed annually 2727
by the thirtieth day of June in accordance with the standard 2728
renewal procedure set forth in Chapter 4745. of the Revised 2729
Code. Fifty per cent of the annual license fee shall be for the 2730
use of the state, and fifty per cent shall be paid by the state 2731
to the municipal corporation, or if outside the limits of any 2732
municipal corporation, to the county, in which the office of the 2733
licensee is located. All such fees payable to municipal 2734
corporations or counties shall be paid annually. 2735

(2) A pawnbroker's license issued or renewed by the 2736
superintendent on or after January 1, 2006, expires on the 2737
thirtieth day of June in the even-numbered year next following 2738
the date of its issuance or renewal, as applicable, and may be 2739

renewed biennially by the thirtieth day of June in accordance 2740
with the standard renewal procedure set forth in Chapter 4745. 2741
of the Revised Code. Fifty per cent of the biennial license fee 2742
shall be for the use of the state, and fifty per cent shall be 2743
paid by the state to the municipal corporation, or if outside 2744
the limits of any municipal corporation, to the county, in which 2745
the office of the licensee is located. All such fees payable to 2746
municipal corporations or counties shall be paid biennially. 2747

(F) The fee for renewal of a license shall be equivalent 2748
to the fee for an initial license established by the 2749
superintendent pursuant to section 1321.20 of the Revised Code. 2750
Any licensee who wishes to renew the pawnbroker's license but 2751
who fails to do so on or before the date the license expires 2752
shall reapply for licensure in the same manner and pursuant to 2753
the same requirements as for initial licensure, unless the 2754
licensee pays to the superintendent on or before the thirty- 2755
first day of August of the year the license expires, a late 2756
renewal penalty of one hundred dollars in addition to the 2757
regular renewal fee. Any licensee who fails to renew the license 2758
on or before the date the license expires is prohibited from 2759
acting as a pawnbroker until the license is renewed or a new 2760
license is issued under this section. Any licensee who renews a 2761
license between the first day of July and the thirty-first day 2762
of August of the year the license expires is not relieved from 2763
complying with this division. The superintendent may refuse to 2764
issue to or renew the license of any licensee who violates this 2765
division. 2766

(G) No license shall be granted to any person not a 2767
resident of or the principal office of which is not located in 2768
the municipal corporation or county designated in such license 2769
unless that applicant, in writing and in due form approved by 2770

and filed with the superintendent, first appoints an agent, a 2771
resident of the state, and city or county where the office is to 2772
be located, upon whom all judicial and other process, or legal 2773
notice, directed to the applicant may be served. In case of the 2774
death, removal from the state, or any legal disability or any 2775
disqualification of any such agent, service of such process or 2776
notice may be made upon the superintendent. 2777

The superintendent may, upon notice to the licensee and 2778
reasonable opportunity to be heard, suspend or revoke any 2779
license or assess a penalty against the licensee if the 2780
licensee, or the licensee's officers, agents, or employees, has 2781
violated this chapter. Any penalty shall be appropriate to the 2782
violation but in no case shall the penalty be less than two 2783
hundred nor more than two thousand dollars. Whenever, for any 2784
cause, a license is suspended or revoked, the superintendent 2785
shall not issue another license to the licensee nor to the legal 2786
spouse of the licensee, nor to any business entity of which the 2787
licensee is an officer or member or partner, nor to any person 2788
employed by the licensee, until the expiration of at least two 2789
years from the date of revocation or suspension of the license. 2790
The superintendent shall deposit all penalties allocated 2791
pursuant to this section into the state treasury to the credit 2792
of the consumer finance fund. 2793

Any proceedings for the revocation or suspension of a 2794
license or to assess a penalty against a licensee are subject to 2795
Chapter 119. of the Revised Code. 2796

(H) If a licensee surrenders or chooses not to renew the 2797
pawnbroker's license, the licensee shall notify the 2798
superintendent thirty days prior to the date on which the 2799
licensee intends to close the licensee's business as a 2800

pawnbroker. Prior to the date, the licensee shall do either of 2801
the following with respect to all active loans: 2802

(1) Dispose of an active loan by selling the loan to 2803
another person holding a valid pawnbroker's license issued under 2804
this section; 2805

(2) Reduce the rate of interest on pledged articles held 2806
as security for a loan to eight per cent per annum or less 2807
effective on the date that the pawnbroker's license is no longer 2808
valid. 2809

Sec. 4727.06. (A) No pawnbroker shall charge, receive, or 2810
demand interest for any loan in excess of ~~five-six~~ per cent per 2811
month or fraction of a month on the unpaid principal. Interest 2812
shall be computed on a monthly basis on the amount of the 2813
principal remaining unpaid on the first day of the month and 2814
shall not be compounded. 2815

(B) In addition to the rate of interest limitation imposed 2816
pursuant to division (A) of this section, the licensee may 2817
charge no more than: 2818

(1) ~~Four-Six~~ dollars per month or fraction of a month for 2819
all pledged articles held as security or stored for a loan, to 2820
be agreed to in writing at the time the loan is made; 2821

(2) Four dollars plus the actual cost of shipping, when 2822
the licensee is to deliver or forward the pledged article by 2823
express or parcel post to the pledgor; 2824

(3) ~~Two dollars for the loss of the original statement-~~ 2825
~~issued to the pledgor by the licensee pursuant to section-~~ 2826
~~4727.07 of the Revised Code upon redemption of the pledged-~~ 2827
~~articles;~~ 2828

~~(4) Two Five~~ dollars for the cost of notifying a pledgor 2829
by mail that the pledged articles may be forfeited to the 2830
licensee pursuant to section 4727.11 of the Revised Code. 2831

(C) A licensee who complies with the requirements or 2832
procedures of this state pursuant to the application of the 2833
"Brady Handgun Violence Protection Act," 107 Stat. 1536 (1993), 2834
18 U.S.C.A. 922, as amended, may charge any fee the licensee is 2835
required by law to pay in order to comply with such requirements 2836
or procedures. The licensee may charge no more than ~~two ten~~ 2837
dollars for providing services in compliance with such 2838
requirements or procedures. 2839

(D) A ~~pledgor licensee may pay accept~~ a portion of the 2840
outstanding principal loan balance at any time. A pledgor may 2841
redeem a pawn loan at any time after ~~seventy two hours have~~ 2842
~~passed since~~ the pledge was made. A pledgor may not prepay 2843
interest or storage charges, other than the current month, 2844
except when the pledgor redeems the pledged property. Prepayment 2845
of interest and storage charges may not occur at the time the 2846
loan is originated. 2847

Sec. 4727.10. (A) No person licensed as a pawnbroker shall 2848
recklessly receive any pledge or purchase any articles from any 2849
minor or from any person who is at the time intoxicated or 2850
under the influence of a controlled substance . 2851

(B) No person licensed as a pawnbroker shall receive any 2852
pledge or purchase any articles from any person who is known or 2853
believed by the licensee to be a thief or a receiver of stolen 2854
property or. 2855

(C) No person licensed as a pawnbroker shall receive any 2856
pledge or purchase any articles from any person identified in 2857

writing to the licensee by the chief of police of a municipal 2858
corporation or township, the sheriff, or the state highway 2859
patrol as a known or suspected thief or receiver of stolen 2860
property. 2861

(D) Division (C) of this section is a strict liability 2862
offense and section 2901.20 of the Revised Code does not apply. 2863

Sec. 4727.11. (A) If a pledgor fails to pay interest and 2864
fees to a person licensed as a pawnbroker on a pawn loan for ~~two~~ 2865
three months from the date of the loan or the date on which the 2866
last interest payment is due, the licensee shall notify the 2867
pledgor by United States postal mail, with proof of mailing, to 2868
the last place of address given by the pledgor, that unless the 2869
pledgor redeems the pledged property or pays all interest due 2870
and ~~storage charges~~ fees within thirty days from the date the 2871
notice is mailed, the pledged property shall be forfeited to the 2872
licensee. If the pledgor fails to redeem or pay all interest due 2873
and ~~storage charges~~ fees within the period specified in the 2874
notice, the licensee becomes the owner of the pledged property. 2875

(B) In the event that any article or property is redeemed 2876
by a person other than the pledgor, the pledgor shall sign the 2877
pledgor's copy of the statement required under section 4727.07 2878
of the Revised Code, which copy shall be presented by the person 2879
to the licensee. The licensee shall verify the name of the 2880
person redeeming the article or property, and shall record the 2881
person's name and driver's license number, or other personal 2882
identification number, on the licensee's copy of the statement, 2883
and shall require the person to sign this copy. 2884

(C) In the event that any articles or property pledged are 2885
lost or rendered inoperable due to negligence of the licensee, 2886
the licensee shall replace the articles or property with 2887

identical articles or property, except that if the licensee 2888
cannot reasonably obtain identical articles or property, the 2889
licensee shall replace the articles or property with like 2890
articles or property. 2891

(D) When an account is paid in full, the licensee shall 2892
return the pledged article immediately to the pledgor. In the 2893
event the pledgor sells, transfers, or assigns the pledge, the 2894
licensee shall verify the name of the person redeeming the 2895
pledge and record that person's name, driver's license number, 2896
and signature on the permanent copy of the statement of pledge 2897
required pursuant to section 4727.07 of the Revised Code. The 2898
licensee also shall obtain the signature of the pledgor, or 2899
other person redeeming the pledge, upon a separate record of the 2900
transaction, that acknowledges the total dollar amount paid for 2901
redemption and the date of redemption. All records shall be kept 2902
in the licensee's place of business. 2903

Sec. 4727.12. (A) A person licensed as a pawnbroker ~~shall~~ 2904
~~retain any and all goods or articles pledged with the licensee~~ 2905
~~until the expiration of seventy-two hours after the pledge is~~ 2906
~~made, and shall retain any goods or articles purchased by the~~ 2907
licensee until the expiration of fifteen days after the purchase 2908
is made. The licensee may dispose of such goods or articles 2909
sooner with the written permission of the chief of police of the 2910
municipal corporation or township in which the licensee's place 2911
of business is located or, if the place of business is not 2912
located within a municipal corporation or township that has a 2913
chief of police, with the written permission of the sheriff of 2914
the county in which the business is located. 2915

(B) If the chief of police or sheriff to whom the licensee 2916
makes available the information required by section 4727.09 of 2917

the Revised Code has probable cause to believe that the article 2918
described therein is stolen property, the chief or sheriff shall 2919
notify the licensee in writing. Upon receipt of such a notice, 2920
the licensee shall retain the article until the expiration of 2921
thirty days after the day on which the licensee is first 2922
required to make available the information required by section 2923
4727.09 of the Revised Code, unless the chief or sheriff 2924
notifies the licensee in writing that the licensee is not 2925
required to retain the article until such expiration. 2926

(C) If the chief or sheriff receives a report that 2927
property has been stolen and determines the identity of the 2928
person claiming to be the true owner of the allegedly stolen 2929
property that has been purchased or pawned and is held by a 2930
licensee, and informs the licensee of the ~~true owner's~~ 2931
claimant's identity, the licensee may restore the allegedly 2932
stolen property to the ~~true owner~~ claimant directly. 2933

If a licensee fails to restore the allegedly stolen 2934
property, the ~~true owner~~ claimant may recover the property from 2935
the licensee in an action at law. 2936

(D) If the licensee returns the allegedly stolen property 2937
to the ~~true owner~~ claimant, the licensee may charge the person 2938
who pledged or sold the allegedly stolen property to the 2939
licensee, and any person who acted in consort with the pledgor 2940
or the seller to defraud the licensee, the amount the licensee 2941
paid or loaned for the allegedly stolen property, plus interest 2942
and storage charges provided for in section 4727.06 of the 2943
Revised Code. 2944

Sec. 4727.19. (A) Effective with the two-year period that 2945
begins June 30, ~~2000~~ 2017, and every two-year period thereafter, 2946
each person licensed as a pawnbroker under this chapter shall 2947

~~complete~~ have at least one person employed at the licensee's 2948
place of business who has completed by the end of the period at 2949
least ~~twelve~~ eight hours of continuing education instruction 2950
offered in a course or program approved by the superintendent of 2951
financial institutions after consultation with an industry 2952
representative selected by the superintendent. 2953

~~(B) Any person licensed under this chapter who has more~~ 2954
~~than three employees shall designate an individual to the~~ 2955
~~superintendent as a salesperson. Effective with the two year~~ 2956
~~period that begins June 30, 2000, and every two year period~~ 2957
~~thereafter, a salesperson shall complete by the end of the~~ 2958
~~period at least eight hours of continuing education instruction~~ 2959
~~offered in a course or program approved by the superintendent in~~ 2960
~~consultation with a designated industry representative.~~ 2961

~~(C) Each location of those persons licensed under this~~ 2962
~~chapter who have three or more employees shall have at least one~~ 2963
~~salesperson who meets the continuing education requirements of~~ 2964
~~this section.~~ 2965

~~(D)~~ The superintendent, in accordance with ~~chapter~~ Chapter 2966
119. of the Revised Code, may suspend, revoke, or refuse to 2967
renew the license of any licensee who fails to comply with this 2968
section. 2969

~~(E)~~ ~~(C)~~ The superintendent, in accordance with ~~chapter~~ 2970
Chapter 119. of the Revised Code, may adopt rules regarding 2971
continuing education fees, locations, times, frequency, and 2972
waivers of requirements. 2973

Sec. 4727.20. (A) No person licensed as a pawnbroker under 2974
this chapter shall conduct business in this state, unless the 2975
licensee does either of the following: 2976

(1) Maintains liquid assets in a minimum amount of ~~fifty~~
seventy-five thousand dollars; 2977
2978

(2) Obtains a surety bond issued by a bonding company or 2979
insurance company authorized to do business in this state. The 2980
bond shall be in favor of the superintendent of financial 2981
institutions and in the penal sum of at least ~~twenty-five~~fifty 2982
thousand dollars. The licensee shall file a copy of the bond 2983
with the superintendent. The bond shall be for the exclusive 2984
benefit of any person injured by a licensee's violation of this 2985
chapter. The aggregate liability of the surety for any and all 2986
breaches of the conditions of the bond shall not exceed the 2987
penal sum of the bond. 2988

(B) The licensee shall give notice to the superintendent 2989
by certified mail, return receipt requested, of any action that 2990
is brought against the licensee and of any judgment that is 2991
entered against the licensee by a person injured by a violation 2992
of this chapter. The notice shall provide details sufficient to 2993
identify the action or judgment and shall be filed with the 2994
superintendent within ten days after the commencement of the 2995
action or notice to the licensee of entry of a judgment. The 2996
surety, within ten days after it pays any claim or judgment, 2997
shall give notice to the superintendent by certified mail, 2998
return receipt requested, of the payment, with details 2999
sufficient to identify the person and the claim or judgment 3000
paid. 3001

(C) Whenever the penal sum of the surety bond is reduced 3002
by one or more recoveries or payments, the licensee shall 3003
furnish a new or additional bond under this section, so that the 3004
total or aggregate penal sum of the bond or bonds equals the sum 3005
required by this section, or shall furnish an endorsement 3006

executed by the surety reinstating the bond to the required 3007
penal sum of the bond. 3008

(D) The liability of the surety on the bond to the 3009
superintendent and to any person injured by a violation of this 3010
chapter is not affected in any way by any misrepresentation, 3011
breach of warranty, or failure to pay the premium, by any act or 3012
omission upon the part of the licensee, by the insolvency or 3013
bankruptcy of the licensee, or by the insolvency of the 3014
licensee's estate. The liability for any act or omission that 3015
occurs during the term of the surety bond shall be maintained 3016
and in effect for at least two years after the date on which the 3017
surety bond is terminated or canceled. 3018

(E) The licensee shall not cancel the surety bond except 3019
upon notice to the superintendent by certified mail, return 3020
receipt requested. The cancellation is not effective prior to 3021
thirty days after the superintendent receives the notice. 3022

(F) No licensee shall fail to comply with this section. 3023

Sec. 5709.20. As used in sections 5709.20 to 5709.27 of 3024
the Revised Code: 3025

(A) "Air contaminant" means particulate matter, dust, 3026
fumes, gas, mist, smoke, vapor, or odorous substances, or any 3027
combination thereof. 3028

(B) "Air pollution control facility" means any property 3029
designed, constructed, or installed for the primary purpose of 3030
eliminating or reducing the emission of, or ground level 3031
concentration of, air contaminants generated at an industrial or 3032
commercial plant or site that renders air harmful or inimical to 3033
the public health or to property within this state, or such 3034
property installed on or after November 1, 1993, at a petroleum 3035

refinery for the primary purpose of eliminating or reducing 3036
substances within fuel that otherwise would create the emission 3037
of air contaminants upon the combustion of fuel. 3038

(C) "Energy conversion" means the conversion of fuel or 3039
power usage and consumption from natural gas to an alternate 3040
fuel or power source other than propane, butane, naphtha, or 3041
fuel oil; or the conversion of fuel or power usage and 3042
consumption from fuel oil to an alternate fuel or power source 3043
other than natural gas, propane, butane, or naphtha. 3044

(D) "Energy conversion facility" means any additional 3045
property or equipment designed, constructed, or installed after 3046
December 31, 1974, for use at an industrial or commercial plant 3047
or site for the primary purpose of energy conversion. 3048

(E) "Exempt facility" means any of the facilities defined 3049
in division (B), (D), (F), (I), (K), or (L) of this section for 3050
which an exempt facility certificate is issued pursuant to 3051
section 5709.21 or for which a certificate remains valid under 3052
section 5709.201 of the Revised Code. 3053

(F) "Noise pollution control facility" means any property 3054
designed, constructed, or installed for use at an industrial or 3055
commercial plant or site for the primary purpose of eliminating 3056
or reducing, at that plant or site, the emission of sound which 3057
is harmful or inimical to persons or property, or materially 3058
reduces the quality of the environment, as shall be determined 3059
by the director of environmental protection within such 3060
standards for noise pollution control facilities and standards 3061
for environmental noise necessary to protect public health and 3062
welfare as may be promulgated by the United States environmental 3063
protection agency. In the absence of such United States 3064
environmental protection agency standards, the determination 3065

shall be made in accordance with generally accepted current 3066
standards of good engineering practice in environmental noise 3067
control. 3068

(G) "Solid waste" means such unwanted residual solid or 3069
semi-solid material as results from industrial operations, 3070
including those of public utility companies, and commercial, 3071
distribution, research, agricultural, and community operations, 3072
including garbage, combustible or noncombustible, street dirt, 3073
and debris. 3074

(H) "Solid waste energy conversion" means the conversion 3075
of solid waste into energy and the utilization of such energy 3076
for some useful purpose. 3077

(I) "Solid waste energy conversion facility" means any 3078
property or equipment designed, constructed, or installed after 3079
December 31, 1974, for use at an industrial or a commercial 3080
plant or site for the primary purpose of solid waste energy 3081
conversion. 3082

(J) "Thermal efficiency improvement" means the recovery 3083
and use of waste heat or waste steam produced incidental to 3084
electric power generation, industrial process heat generation, 3085
lighting, refrigeration, or space heating. 3086

(K) "Thermal efficiency improvement facility" means any 3087
property or equipment designed, constructed, or installed after 3088
December 31, 1974, for use at an industrial or a commercial 3089
plant or site for the primary purpose of thermal efficiency 3090
improvement. 3091

(L) "Industrial water pollution control facility" means 3092
any property designed, constructed, or installed for the primary 3093
purpose of collecting or conducting industrial waste to a point 3094

of disposal or treatment; reducing, controlling, or eliminating 3095
water pollution caused by industrial waste; or reducing, 3096
controlling, or eliminating the discharge into a disposal system 3097
of industrial waste or what would be industrial waste if 3098
discharged into the waters of this state. This division applies 3099
only to property related to an industrial water pollution 3100
control facility placed into operation or initially capable of 3101
operation after December 31, 1965, and installed pursuant to the 3102
approval of the environmental protection agency, department of 3103
natural resources, or any other governmental agency having 3104
authority to approve the installation of industrial water 3105
pollution control facilities. The definitions in section 6111.01 3106
of the Revised Code, as applicable, apply to the terms used in 3107
this division. 3108

(M) Property designed, constructed, installed, used, or 3109
placed in operation primarily for the safety, health, 3110
protection, or benefit, or any combination thereof, of personnel 3111
of a business, or primarily for a business's own benefit, is not 3112
an "exempt facility." 3113

Sec. 5709.45. (A) As used in sections 5709.45 to 5709.47 3114
of the Revised Code: 3115

(1) "Downtown redevelopment district" or "district" means 3116
an area not more than ten acres enclosed by a continuous 3117
boundary in which at least one historic building is being, or 3118
will be, rehabilitated. 3119

(2) "Historic building" and "rehabilitation" have the same 3120
meanings as in section 149.311 of the Revised Code. 3121

(3) "Public infrastructure improvement" has the same 3122
meaning as in section 5709.40 of the Revised Code. 3123

(4) "Improvement" means the increase in the assessed value of real property that would first appear on the tax list after the effective date of an ordinance adopted under this section were it not for the exemption granted by the ordinance.

(5) "Innovation district" means an area located entirely within a downtown redevelopment district, enclosed by a continuous boundary, and equipped with a high-speed broadband network capable of download speeds of at least one hundred gigabits per second.

(6) "Qualified business" means a business primarily engaged, or primarily organized to engage, in a trade or business that involves research and development, technology transfer, bio-technology, information technology, or the application of new technology developed through research and development or acquired through technology transfer.

(7) "Information technology" means the branch of technology devoted to the study and application of data and the processing thereof; the automatic acquisition, storage, manipulation or transformation, management, movement, control, display, switching, interchange, transmission or reception of data, and the development or use of hardware, software, firmware, and procedures associated with this processing. "Information technology" includes matters concerned with the furtherance of computer science and technology, design, development, installation, and implementation of information systems and applications that in turn will be licensed or sold to a specific target market. "Information technology" does not include the creation of a distribution method for existing products and services.

(8) "Research and development" means designing, creating,

or formulating new or enhanced products, equipment, or 3154
processes, and conducting scientific or technological inquiry 3155
and experimentation in the physical sciences with the goal of 3156
increasing scientific knowledge that may reveal the bases for 3157
new or enhanced products, equipment, or processes. 3158

(9) "Technology transfer" means the transfer of technology 3159
from one sector of the economy to another, including the 3160
transfer of military technology to civilian applications, 3161
civilian technology to military applications, or technology from 3162
public or private research laboratories to military or civilian 3163
applications. 3164

(B) For the purposes of promoting rehabilitation of 3165
historic buildings, creating jobs, and encouraging economic 3166
development in commercial and mixed-use commercial and 3167
residential areas, the legislative authority of a municipal 3168
corporation may adopt an ordinance creating a downtown 3169
redevelopment district and declaring improvements to parcels 3170
within the district to be a public purpose and exempt from 3171
taxation. Downtown redevelopment districts shall not be created 3172
in areas used exclusively for residential purposes and shall not 3173
be utilized for development or redevelopment of residential 3174
areas. 3175

The ordinance shall specify all of the following: 3176

(1) The boundary of the district; 3177

(2) The county treasurer's permanent parcel number 3178
associated with each parcel included in the district; 3179

(3) The parcel or parcels within the district that include 3180
a historic building that is being or will be rehabilitated; 3181

(4) The proposed life of the district; 3182

(5) An economic development plan for the district that	3183
includes all of the following:	3184
(a) A statement describing the principal purposes and	3185
goals to be served by creating the district;	3186
(b) An explanation of how the municipal corporation will	3187
collaborate with businesses and property owners within the	3188
district to develop strategies for achieving such purposes and	3189
goals;	3190
(c) A plan for using the service payments provided for in	3191
section 5709.46 of the Revised Code to promote economic	3192
development and job creation within the district.	3193
Not more than seventy per cent of improvements to parcels	3194
within a downtown redevelopment district may be exempted from	3195
taxation under this section. A district may not include a parcel	3196
that is or has been exempted from taxation under this section or	3197
section 5709.40 or 5709.41 of the Revised Code <u>on the effective</u>	3198
<u>date of the ordinance</u> . Except as provided in division (F) of	3199
this section, the life of a downtown redevelopment district	3200
shall not exceed ten years.	3201
A municipal corporation may adopt more than one ordinance	3202
under division (B) of this section. A single such ordinance may	3203
create more than one downtown redevelopment district.	3204
(C) For the purposes of attracting and facilitating growth	3205
of qualified businesses and supporting the economic development	3206
efforts of business incubators and accelerators, the legislative	3207
authority of a municipal corporation may designate an innovation	3208
district within a proposed or existing downtown redevelopment	3209
district. The life of the innovation district shall be identical	3210
to the downtown redevelopment district in which the innovation	3211

district is located. In addition to the requirements in division 3212
(B) of this section, an ordinance creating a downtown 3213
redevelopment district that includes an innovation district 3214
shall specify all of the following: 3215

(1) The boundary of the innovation district; 3216

(2) The permanent parcel number associated with each 3217
parcel included in the innovation district; 3218

(3) An economic development plan for the innovation 3219
district that meets the criteria prescribed by division (B) (5) 3220
of this section. 3221

(D) At least thirty days before adopting an ordinance 3222
under division (B) of this section, the legislative authority of 3223
the municipal corporation shall conduct a public hearing on the 3224
proposed ordinance and the accompanying economic development 3225
plan. At least thirty days before the public hearing, the 3226
legislative authority shall give notice of the public hearing 3227
and the proposed ordinance by first class mail to every real 3228
property owner whose property is located within the boundaries 3229
of the proposed district that is the subject of the proposed 3230
ordinance. 3231

(E) Revenue derived from downtown redevelopment district 3232
service payments may be used by the municipal corporation for 3233
any of the following purposes: 3234

(1) To finance or support loans, deferred loans, or grants 3235
to owners of historic buildings within the downtown 3236
redevelopment district. Such loans or grants shall be awarded 3237
upon the condition that the loan or grant amount may be used by 3238
the owner only to rehabilitate the historic building. A 3239
municipal corporation that awards a loan or grant under this 3240

division shall develop a plan for tracking the loan or grant 3241
recipient's use of the loan or grant and monitoring the progress 3242
of the recipient's rehabilitation project. 3243

(2) To make contributions to a special improvement 3244
district for use under section 1710.14 of the Revised Code, to a 3245
community improvement corporation for use under section 1724.12 3246
of the Revised Code, or to a nonprofit corporation, as defined 3247
in section 1702.01 of the Revised Code, the primary purpose of 3248
which is redeveloping historic buildings and historic districts 3249
for use by the corporation to rehabilitate a historic building 3250
within the downtown redevelopment district or to otherwise 3251
promote or enhance the district. Amounts contributed under 3252
division (E) (2) of this section shall not exceed the property 3253
tax revenue that would have been generated by twenty per cent of 3254
the assessed value of the exempted improvements within the 3255
downtown redevelopment district. 3256

(3) To finance or support loans to owners of one or more 3257
buildings located within the district that do not qualify as 3258
historic buildings. Such loans shall be awarded upon the 3259
condition that the loan amount may be used by the owner only to 3260
make repairs and improvements to the building or buildings. A 3261
municipal corporation that awards a loan under this division 3262
shall develop a plan for tracking the loan recipient's use of 3263
the loan and monitoring the progress of the recipient's repairs 3264
or improvements. 3265

(4) To finance public infrastructure improvements within 3266
the downtown redevelopment district. If revenue generated by the 3267
downtown redevelopment district will be used to finance public 3268
infrastructure improvements, the economic development plan 3269
described by division (B) (5) of this section shall identify 3270

specific projects that are being or will be undertaken within 3271
the district and describe how such infrastructure improvements 3272
will accommodate additional demands on the existing 3273
infrastructure within the district. A municipal corporation 3274
shall not use service payments derived from a downtown 3275
redevelopment district to repair or replace police or fire 3276
equipment. 3277

(5) To finance or support loans, deferred loans, or grants 3278
to qualified businesses or to incubators and accelerators that 3279
provide services and capital to qualified businesses within an 3280
innovation district. Such loans or grants shall be awarded upon 3281
the condition that the loan or grant shall be used by the 3282
recipient to start or develop one or more qualified businesses 3283
within the innovation district. A municipal corporation that 3284
awards a loan or grant under this division shall develop a plan 3285
for tracking the loan or grant recipient's use of the loan or 3286
grant and monitoring the establishment and growth of the 3287
qualified business. 3288

(F) Notwithstanding division (B) of this section, 3289
improvements to parcels located within a downtown redevelopment 3290
district may be exempted from taxation under this section for up 3291
to thirty years if either of the following apply: 3292

(1) The ordinance creating the redevelopment district 3293
specifies that payments in lieu of taxes shall be paid to the 3294
city, local, or exempted village, and joint vocational school 3295
district or districts in which the redevelopment district is 3296
located in the amount of the taxes that would have been payable 3297
to the school district or districts if the improvements had not 3298
been exempted from taxation. 3299

(2) The municipal corporation creating the district 3300

obtains the approval under division (G) of this section of the 3301
board of education of each city, local, and exempted village 3302
school district within which the district will be located. 3303

(G) (1) The legislative authority of a municipal 3304
corporation seeking the approval of a school district for the 3305
purpose of division (G) (2) of this section shall send notice of 3306
the proposed ordinance to the school district not later than 3307
forty-five business days before it intends to adopt the 3308
ordinance. The notice shall include a copy of the proposed 3309
ordinance and shall indicate the date on which the legislative 3310
authority intends to adopt the ordinance. The board of education 3311
of the school district, by resolution adopted by a majority of 3312
the board, may do any of the following: 3313

(a) Approve the exemption for the number of years 3314
specified in the proposed ordinance; 3315

(b) Disapprove the exemption for the number of years in 3316
excess of ten; 3317

(c) Approve the exemption on the condition that the 3318
legislative authority and the board negotiate an agreement 3319
providing for compensation to the school district equal in value 3320
to a percentage of the amount of taxes exempted in the eleventh 3321
and subsequent years of the exemption period or other mutually 3322
agreeable compensation. If an agreement is negotiated under this 3323
division, the legislative authority shall compensate all joint 3324
vocational school districts within which the downtown 3325
redevelopment district is located at the same rate and under the 3326
same terms received by the city, local, or exempted village 3327
school district. 3328

(2) The board of education shall certify a resolution 3329

adopted under division (G) (1) of this section to the legislative 3330
authority of the municipal corporation not later than fourteen 3331
days before the date the legislative authority intends to adopt 3332
the ordinance as indicated in the notice. If the board of 3333
education approves the ordinance or negotiates a mutually 3334
acceptable compensation agreement with the legislative 3335
authority, the legislative authority may enact the ordinance in 3336
its current form. If the board disapproves of the ordinance and 3337
fails to negotiate a mutually acceptable compensation agreement 3338
with the legislative authority, the legislative authority may 3339
exempt improvements to parcels within the downtown redevelopment 3340
district for not more than ten years. If the board fails to 3341
certify a resolution to the legislative authority within the 3342
time prescribed by this division, the legislative authority may 3343
adopt the ordinance and may exempt improvements to parcels 3344
within the downtown redevelopment district for the period of 3345
time specified in the notice delivered to the board of 3346
education. The legislative authority may adopt the ordinance at 3347
any time after the board of education certifies its resolution 3348
approving the exemption to the legislative authority or, if the 3349
board approves the exemption on the condition that a mutually 3350
acceptable compensation agreement be negotiated, at any time 3351
after the compensation agreement is agreed to by the board and 3352
the legislative authority. 3353

(3) If a board of education has adopted a resolution 3354
waiving its right to approve exemptions from taxation under this 3355
section and the resolution remains in effect, approval of 3356
exemptions by the board is not required under division (G) of 3357
this section. If a board of education has adopted a resolution 3358
allowing a legislative authority to deliver the notice required 3359
under division (G) (1) of this section fewer than forty-five 3360

business days before the legislative authority's adoption of the ordinance, the legislative authority shall deliver the notice to the board not later than the number of days before such adoption as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board shall certify a copy of the resolution to the legislative authority. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the legislative authority.

(4) If the legislative authority is not required by division (G) of this section to notify the board of education of the legislative authority's intent to create a downtown redevelopment district, the legislative authority shall comply with the notice requirements imposed under section 5709.83 of the Revised Code, unless the board has adopted a resolution under that section waiving its right to receive such a notice.

(H) Service payments in lieu of taxes that are attributable to any amount by which the effective tax rate of either a renewal levy with an increase or a replacement levy exceeds the effective tax rate of the levy renewed or replaced, or that are attributable to an additional levy, for a levy authorized by the voters for any of the following purposes on or after January 1, 2006, and which are provided pursuant to an ordinance creating a downtown redevelopment district under division (B) of this section shall be distributed to the appropriate taxing authority as required under division (C) of section 5709.46 of the Revised Code in an amount equal to the amount of taxes from that additional levy or from the increase in the effective tax rate of such renewal or replacement levy that would have been payable to that taxing authority from the

following levies were it not for the exemption authorized under	3392
division (B) of this section:	3393
(1) A tax levied under division (L) of section 5705.19 or	3394
section 5705.191 of the Revised Code for community mental	3395
retardation and developmental disabilities programs and services	3396
pursuant to Chapter 5126. of the Revised Code;	3397
(2) A tax levied under division (Y) of section 5705.19 of	3398
the Revised Code for providing or maintaining senior citizens	3399
services or facilities;	3400
(3) A tax levied under section 5705.22 of the Revised Code	3401
for county hospitals;	3402
(4) A tax levied by a joint-county district or by a county	3403
under section 5705.19, 5705.191, or 5705.221 of the Revised Code	3404
for alcohol, drug addiction, and mental health services or	3405
facilities;	3406
(5) A tax levied under section 5705.23 of the Revised Code	3407
for library purposes;	3408
(6) A tax levied under section 5705.24 of the Revised Code	3409
for the support of children services and the placement and care	3410
of children;	3411
(7) A tax levied under division (Z) of section 5705.19 of	3412
the Revised Code for the provision and maintenance of zoological	3413
park services and facilities under section 307.76 of the Revised	3414
Code;	3415
(8) A tax levied under section 511.27 or division (H) of	3416
section 5705.19 of the Revised Code for the support of township	3417
park districts;	3418
(9) A tax levied under division (A), (F), or (H) of	3419

section 5705.19 of the Revised Code for parks and recreational 3420
purposes of a joint recreation district organized pursuant to 3421
division (B) of section 755.14 of the Revised Code; 3422

(10) A tax levied under section 1545.20 or 1545.21 of the 3423
Revised Code for park district purposes; 3424

(11) A tax levied under section 5705.191 of the Revised 3425
Code for the purpose of making appropriations for public 3426
assistance; human or social services; public relief; public 3427
welfare; public health and hospitalization; and support of 3428
general hospitals; 3429

(12) A tax levied under section 3709.29 of the Revised 3430
Code for a general health district program. 3431

(I) An exemption from taxation granted under this section 3432
commences with the tax year specified in the ordinance so long 3433
as the year specified in the ordinance commences after the 3434
effective date of the ordinance. If the ordinance specifies a 3435
year commencing before the effective date of the ordinance or 3436
specifies no year whatsoever, the exemption commences with the 3437
tax year in which an exempted improvement first appears on the 3438
tax list and that commences after the effective date of the 3439
ordinance. In lieu of stating a specific year, the ordinance may 3440
provide that the exemption commences in the tax year in which 3441
the value of an improvement exceeds a specified amount or in 3442
which the construction of one or more improvements is completed, 3443
provided that such tax year commences after the effective date 3444
of the ordinance. 3445

Except as otherwise provided in this division, the 3446
exemption ends on the date specified in the ordinance as the 3447
date the improvement ceases to be a public purpose or the 3448

downtown redevelopment district expires, whichever occurs first. 3449
The exemption of an improvement within a downtown redevelopment 3450
district may end on a later date, as specified in the ordinance, 3451
if the legislative authority and the board of education of the 3452
city, local, or exempted village school district within which 3453
the parcel or district is located have entered into a 3454
compensation agreement under section 5709.82 of the Revised Code 3455
with respect to the improvement, and the board of education has 3456
approved the term of the exemption under division (G) of this 3457
section, but in no case shall the improvement be exempted from 3458
taxation for more than thirty years. Exemptions shall be claimed 3459
and allowed in the same manner as in the case of other real 3460
property exemptions. If an exemption status changes during a 3461
year, the procedure for the apportionment of the taxes for that 3462
year is the same as in the case of other changes in tax 3463
exemption status during the year. 3464

(J) Additional municipal financing of the projects and 3465
services described in division (E) of this section may be 3466
provided by any methods that the municipal corporation may 3467
otherwise use for financing such projects and services. If the 3468
municipal corporation issues bonds or notes to finance such 3469
projects and services and pledges money from the municipal 3470
downtown redevelopment district fund to pay the interest on and 3471
principal of the bonds or notes, the bonds or notes are not 3472
subject to Chapter 133. of the Revised Code. 3473

(K) The municipal corporation, not later than fifteen days 3474
after the adoption of an ordinance under this section, shall 3475
submit to the director of development services a copy of the 3476
ordinance. On or before the thirty-first day of March of each 3477
year, the municipal corporation shall submit a status report to 3478
the director of development services. The report shall indicate, 3479

in the manner prescribed by the director, the progress of the 3480
projects and services during each year that an exemption remains 3481
in effect, including a summary of the receipts from service 3482
payments in lieu of taxes; expenditures of money from the funds 3483
created under section 5709.47 of the Revised Code; a description 3484
of the projects and services financed with such expenditures; 3485
and a quantitative summary of changes in employment and private 3486
investment resulting from each project and service. 3487

(L) Nothing in this section shall be construed to prohibit 3488
a legislative authority from declaring to be a public purpose 3489
improvements with respect to more than one parcel. 3490

(M) (1) The owner of real property located in a downtown 3491
redevelopment district may enter into an agreement with the 3492
municipal corporation that created the district to impose a 3493
redevelopment charge on the property to cover all or part of the 3494
cost of services, facilities, and improvements provided within 3495
the district under division (E) of this section. The agreement 3496
shall include the following: 3497

(a) The amount of the redevelopment charge. The 3498
redevelopment charge may be a fixed dollar amount or an amount 3499
determined on the basis of the assessed valuation of the 3500
property or all or part of the profits, gross receipts, or other 3501
revenues of a business operating on the property, including 3502
rentals received from leases of the property. If the property is 3503
leased to one or more tenants, the redevelopment charge may be 3504
itemized as part of the lease rate. 3505

(b) The termination date of the redevelopment charge. The 3506
redevelopment charge shall not be charged after the expiration 3507
or termination of the downtown redevelopment district. 3508

(c) The terms by which the municipal corporation shall 3509
collect the redevelopment charge. 3510

(d) The purposes for which the redevelopment charge may be 3511
used by the municipal corporation. The redevelopment charge 3512
shall be used only for those purposes described by division (E) 3513
of this section. The agreement may specify any or all of such 3514
purposes. 3515

(2) Redevelopment charges collected by a municipal 3516
corporation under division (M) of this section shall be 3517
deposited to the municipal downtown redevelopment district fund 3518
created under section 5709.47 of the Revised Code. 3519

(3) An agreement by a property owner under division (M) of 3520
this section is hereby deemed to be a covenant running with the 3521
land. The covenant is fully binding on behalf of and enforceable 3522
by the municipal corporation against any person acquiring an 3523
interest in the land and all of that person's successors and 3524
assigns. 3525

(4) No purchase agreement for real estate or any interest 3526
in real estate upon which a redevelopment charge is levied shall 3527
be enforceable by the seller or binding upon the purchaser 3528
unless the purchase agreement specifically refers to the 3529
redevelopment charge. If a conveyance of such real estate or 3530
interest in such real estate is made pursuant to a purchase 3531
agreement that does not make such reference, the redevelopment 3532
charge shall continue to be a covenant running with the land 3533
fully binding on behalf of and enforceable by the municipal 3534
corporation against the person accepting the conveyance pursuant 3535
to the purchase agreement. 3536

(5) If a redevelopment charge is not paid when due, the 3537

overdue amount shall be collected according to the terms of the 3538
agreement. If the agreement does not specify a procedure for 3539
collecting overdue redevelopment charges, the municipal 3540
corporation may certify the charge to the county auditor. The 3541
county auditor shall enter the unpaid charge on the tax list and 3542
duplicate of real property opposite the parcel against which it 3543
is charged and certify the charge to the county treasurer. The 3544
unpaid redevelopment charge is a lien on property against which 3545
it is charged from the date the charge is entered on the tax 3546
list, and shall be collected in the manner provided for the 3547
collection of real property taxes. Once the charge is collected, 3548
it shall be paid immediately to the municipal corporation. 3549

Sec. 5709.52. (A) As used in this section: 3550

(1) "Newly developable property" means a parcel of real 3551
property on which no commercial, agricultural, or industrial 3552
operations are currently being conducted and on which 3553
construction of one or more commercial or industrial buildings 3554
or structures is planned but for which a certificate of 3555
occupancy has not yet been issued. 3556

(2) "Redevelopment property" means a parcel of real 3557
property on which one or more commercial or industrial buildings 3558
or structures are or were situated, no commercial, agricultural, 3559
or industrial operations are currently being conducted, and 3560
construction or reconstruction of new commercial or industrial 3561
buildings or structures is planned but for which a certificate 3562
of occupancy following completion of the construction or 3563
reconstruction has not yet been issued. 3564

(3) "Commercial or industrial building or structure" means 3565
a building or structure classified as to use for tax purposes as 3566
commercial or industrial that, prior to its use or occupation, 3567

requires a certificate of occupancy. "Commercial or industrial building or structure" does not include a building or structure any part of which is to be used as a dwelling. 3568
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(4) "Remnant parcel" means a parcel resulting from a subdividing plat that includes original property. 3571
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(5) "Original property" means newly developable property or redevelopment property subject to an exemption under division (C) of this section for a tax year. 3573
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(6) "Unexempted value" means the taxable value of original property for the tax year preceding the first tax year for which the property is subject to an exemption under division (C) of this section. 3576
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(7) "Subdividing plat" means a plat subdividing land that is approved by the board of county commissioners, municipal corporation legislative authority, or municipal, county, or regional planning or platting commission having authority to approve plats in the territory in which newly developable property or redevelopment property is situated. 3580
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(8) "Certificate of occupancy" means a valid certificate of occupancy issued for a commercial or industrial building or structure by the building official having jurisdiction over that building or structure. 3586
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(9) "Increase in the taxable value" or "increase in value" means the amount by which the taxable value of a parcel as it would have appeared on the tax list and duplicate of real and public utility property for a tax year exceeds the unexempted value of that parcel. 3590
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(10) "Political subdivision" means a municipal corporation, township, or county. 3595
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(11) "Legislative body" means the legislative authority of 3597
a municipal corporation, a board of township trustees, or a 3598
board of county commissioners. 3599

(B) (1) (a) The owner of newly developable property or 3600
redevelopment property may submit an application to exempt the 3601
increase in value of such property from taxation under this 3602
section to one of the following: 3603

(i) Except as provided in division (B) (1) (a) (iii) of this 3604
section, if the property is located in a municipal corporation, 3605
to the municipal corporation; 3606

(ii) Except as provided in division (B) (1) (a) (iii) of this 3607
section, if the property is located in the unincorporated area 3608
of a township, to the township or the county; 3609

(iii) If any portion of the value of the property is 3610
exempted from taxation under section 5709.40, 5709.41, 5709.73, 3611
or 5709.78 of the Revised Code, to the municipal corporation, 3612
township, or county that authorized that exemption. 3613

(b) An application filed under division (B) (1) of this 3614
section shall include both of the following: 3615

(i) A statement attesting to each of the following: 3616

(I) That the parcel is newly developable property or 3617
redevelopment property; 3618

(II) If the parcel is newly developable property, that 3619
either the parcel is zoned to permit construction of a new 3620
commercial or industrial building or structure or no applicable 3621
zoning regulation prohibits construction of a new commercial or 3622
industrial building or structure on that parcel; 3623

(III) If the parcel is redevelopment property, that either 3624

the property is zoned to permit construction or reconstruction 3625
of a new commercial or industrial building or structure or no 3626
applicable zoning regulation prohibits construction or 3627
reconstruction of a new commercial or industrial building or 3628
structure on that parcel. 3629

(ii) A certificate obtained from the county treasurer 3630
stating that there are no outstanding real property taxes, 3631
assessments, penalties, or charges that are due and unpaid with 3632
respect to the property on the date the certificate is issued. 3633
For the purposes of this division, taxes and assessments are due 3634
and unpaid if they remain unpaid on the date they are required 3635
to be paid as prescribed by section 323.12 of the Revised Code. 3636

(2) If an application submitted under division (B) (1) of 3637
this section is complete, the legislative body of a political 3638
subdivision receiving the application, by resolution or 3639
ordinance, may declare that the development or redevelopment of 3640
a parcel that is the subject of the application is a public 3641
purpose and that increases in the taxable value of the parcel 3642
shall be exempted from taxation as provided in this section. A 3643
board of township trustees or board of county commissioners 3644
shall not adopt a resolution under this section with respect to 3645
a parcel that is the subject of a resolution that has been 3646
adopted by a board of county commissioners or board of township 3647
trustees, respectively, under division (B) (2) of this section. A 3648
resolution or ordinance adopted under division (B) (2) of this 3649
section shall specify the tax year for which the exemption from 3650
taxation shall commence, which shall be the tax year in which 3651
the application is filed or the ensuing tax year, and the term 3652
of the exemption, which shall be for six tax years except as 3653
provided in division (C) of this section. 3654

Before adopting an ordinance or resolution under division 3655
(B) (2) of this section, a legislative body shall do both of the 3656
following: 3657

(a) Notify the board of education of each city, local, 3658
exempted village, or joint vocational school district in which 3659
the parcel is located of the legislative body's intent to adopt 3660
such an ordinance or resolution with respect to that parcel; 3661

(b) If the legislative body is a board of township 3662
trustees or board of county commissioners, notify the board of 3663
commissioners of the county or the board of trustees of the 3664
township, respectively, in which the parcel is located of the 3665
legislative body's intent to adopt such a resolution with 3666
respect to that parcel. 3667

(C) Any increase in the taxable value of newly developable 3668
property or redevelopment property is exempted from taxation 3669
beginning with the tax year specified in the ordinance or 3670
resolution adopted under division (B) (2) of this section and for 3671
the five ensuing tax years, except that the exemption shall not 3672
apply to any tax year in which one of the following occurs or 3673
any ensuing year: 3674

(1) The owner obtains a certificate of occupancy for a 3675
commercial or industrial building or structure located on the 3676
property. 3677

(2) The owner transfers title to the property to another 3678
person. 3679

(3) Applicable zoning regulations change in such a manner 3680
that construction of a new commercial or industrial building or 3681
structure is no longer permitted. 3682

(4) Subject to division (D) of this section, a subdividing 3683

plat that includes the property is presented to the county 3684
auditor under section 5713.18 of the Revised Code. 3685

(5) Any commercial, agricultural, or industrial operations 3686
are conducted on the property. 3687

(D) (1) If the event described in division (C) (4) of this 3688
section occurs, any increase in the taxable value of remnant 3689
parcels is exempted from taxation beginning with the tax year in 3690
which the subdividing plat is presented to the county auditor. 3691
The taxable value of each remnant parcel for that tax year shall 3692
equal the same proportion of the unexempted value that the true 3693
value in money of the remnant parcel for that tax year bears to 3694
the aggregate true value in money of all remnant parcels for 3695
that tax year. Remnant parcels remain subject to the exemption 3696
authorized under division (D) of this section until the earlier 3697
of the last tax year for which the exemption applies or the tax 3698
year immediately preceding the tax year in which one of the 3699
events described in divisions (C) (1) to (5) of this section 3700
occurs with respect to any remnant parcel, subject to division 3701
(D) (2) of this section. 3702

(2) If the event described in division (C) (4) of this 3703
section occurs with respect to a remnant parcel for which a 3704
portion of the remnant parcel's value is exempted for the 3705
preceding tax year under this section, the taxable value of each 3706
parcel resulting from the subdivision of the remnant parcel for 3707
the tax year in which the subdividing plat is presented to the 3708
county auditor shall equal the same proportion of the taxable 3709
value attributable to the remnant parcel under division (D) (1) 3710
of this section that the true value in money of the resultant 3711
parcel for that tax year bears to the aggregate true value in 3712
money of all such resultant parcels for that tax year. 3713

(3) Nothing in division (D) of this section authorizes an exemption from taxation for parcels that do not include original property. 3714
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3716

(E) No exemption from taxation is authorized under this section for the increase in value of newly developable property or redevelopment property unless the owner of the property files an application for exemption as required by section 5715.27 of the Revised Code. 3717
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(F) A recoupment charge shall be levied on a parcel the increase in value of which was exempted from taxation under this section if either of the following events occurs: 3722
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(1) The owner transfers title to the parcel to another person, provided that owner made no improvements to the parcel from the date the owner filed an application under division (B) of this section to the date of that transfer. 3725
3726
3727
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(2) Commercial, agricultural, or industrial operations are conducted on the parcel before the owner obtains a certificate of occupancy for the commercial or industrial building or structure located on the parcel. 3729
3730
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The charge shall equal the difference between the amount of real property taxes paid with respect to the parcel for the three tax years immediately preceding the year in which the event occurs and the amount of such taxes that would have been due for those three years if no portion of the value of the parcel was exempted under this section for those years. 3733
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The county auditor shall place the charge as a separate item on the tax list for the tax year in which the event occurs or the occurrence of the event is discovered. The charge shall constitute a lien of the state upon the parcel as of the first 3739
3740
3741
3742

day of January of the tax year in which the charge is levied and 3743
shall continue until discharged. The charge shall be collected 3744
by the county treasurer in the same manner and at the same time 3745
as real property taxes levied against the parcel. 3746

Upon the collection of any charge levied under this 3747
division and any penalties and interest arising thereon, the 3748
auditor, after deducting all fees allowed on the collection of 3749
money on the tax list and duplicate, shall distribute the full 3750
amount thereof among taxing units in proportion to the per cent 3751
of the total real property taxes levied upon the parcel in the 3752
preceding tax year by each taxing unit. Money distributed under 3753
this division to a taxing unit shall be allocated among its 3754
various funds in the same proportion that the real property 3755
taxes levied during the preceding tax year that are required to 3756
be paid into each fund bear to the total real property taxes 3757
levied during that year. 3758

Sec. 5726.01. As used in this chapter: 3759

(A) "Affiliated group" means a group of two or more 3760
persons with fifty per cent or greater of the value of each 3761
person's ownership interests owned or controlled directly, 3762
indirectly, or constructively through related interests by 3763
common owners during all or any portion of the taxable year, and 3764
the common owners. "Affiliated group" includes, but is not 3765
limited to, any person eligible to be included in a consolidated 3766
elected taxpayer group under section 5751.011 of the Revised 3767
Code or a combined taxpayer group under section 5751.012 of the 3768
Revised Code. 3769

(B) "Bank organization" means any of the following: 3770

(1) A national bank organized and operating as a national 3771

bank association pursuant to the "National Bank Act," 13 Stat. 3772
100 (1864), 12 U.S.C. 21, et seq.; 3773

(2) A federal savings association or federal savings bank 3774
chartered under 12 U.S.C. 1464; 3775

(3) A bank, banking association, trust company, savings 3776
and loan association, savings bank, or other banking institution 3777
that is organized or incorporated under the laws of the United 3778
States, any state, or a foreign country; 3779

(4) Any corporation organized and operating pursuant to 12 3780
U.S.C. 611, et seq.; 3781

(5) Any agency or branch of a foreign bank, as those terms 3782
are defined in 12 U.S.C. 3101;— 3783

~~(6) An entity licensed as a small business investment— 3784
company under the "Small Business Investment Act of 1958," 72— 3785
Stat. 689, 15 U.S.C. 661, et seq. 3786~~

"Bank organization" does not include an institution 3787
organized under the "Federal Farm Loan Act," 39 Stat. 360 3788
(1916), or a successor of such an institution, a company 3789
chartered under the "Farm Credit Act of 1933," 48 Stat. 257, or 3790
a successor of such a company, an association formed pursuant to 3791
12 U.S.C. 2279c-1, an insurance company, or a credit union. 3792

(C) "Call report" means the consolidated reports of 3793
condition and income prescribed by the federal financial 3794
institutions examination council that a person is required to 3795
file with a federal regulatory agency pursuant to 12 U.S.C. 161, 3796
12 U.S.C. 324, or 12 U.S.C. 1817. 3797

(D) "Captive finance company" means a person that derived 3798
at least seventy-five per cent of its gross income for the 3799

current taxable year and the two taxable years preceding the 3800
current taxable year from one or more of the following 3801
transactions: 3802

(1) Financing transactions with members of its affiliated 3803
group; 3804

(2) Financing transactions with or for customers of 3805
products manufactured or sold by a member of its affiliated 3806
group; 3807

(3) Financing transactions with or for a distributor or 3808
franchisee that sells, leases, or services a product 3809
manufactured or sold by a member of the person's affiliated 3810
group; 3811

(4) Financing transactions with or for a supplier to a 3812
member of the person's affiliated group in connection with the 3813
member's manufacturing business; 3814

(5) Issuing bonds or other publicly traded debt 3815
instruments for the benefit of the affiliated group; 3816

(6) Short-term or long-term investments whereby the person 3817
invests the cash reserves of the affiliated group and the 3818
affiliated group utilizes the proceeds from the investments. 3819

For the purposes of division (D) of this section, 3820
"financing transaction" means making or selling loans, extending 3821
credit, leasing, earning or receiving subvention, including 3822
interest supplements and other support costs related thereto, or 3823
acquiring, selling, or servicing accounts receivable, notes, 3824
loans, leases, debt, or installment obligations that arise from 3825
the sale or lease of tangible personal property or the 3826
performance of services, and "gross income" has the same meaning 3827
as in section 61 of the Internal Revenue Code and includes 3828

income from transactions between the captive finance company and 3829
other members of its affiliated group. 3830

A person that has not been in continuous existence for the 3831
two taxable years preceding the current taxable year qualifies 3832
as a "captive finance company" for purposes of division (D) of 3833
this section if the person derived at least seventy-five per 3834
cent of its gross income for the period of its existence from 3835
one or more of the transactions described in divisions (D) (1) to 3836
(6) of this section. 3837

"Captive finance company" does not include a small dollar 3838
lender. 3839

(E) "Credit union" means a nonprofit cooperative financial 3840
institution organized or chartered under the laws of this state, 3841
any other state, or the United States. 3842

(F) "Diversified savings and loan holding company" has the 3843
same meaning as in 12 U.S.C. 1467a, as that section existed on 3844
January 1, 2012. 3845

(G) "Document of creation" means the articles of 3846
incorporation of a corporation, articles of organization of a 3847
limited liability company, registration of a foreign limited 3848
liability company, certificate of limited partnership, 3849
registration of a foreign limited partnership, registration of a 3850
domestic or foreign limited liability partnership, or 3851
registration of a trade name. 3852

(H) "Financial institution" means a bank organization, a 3853
holding company of a bank organization, or a nonbank financial 3854
organization, except when one of the following applies: 3855

(1) If two or more such entities are consolidated for the 3856
purposes of filing an FR Y-9, "financial institution" means a 3857

group consisting of all entities that are included in the FR Y- 3858
9. 3859

(2) If two or more such entities are consolidated for the 3860
purposes of filing a call report, "financial institution" means 3861
a group consisting of all entities that are included in the call 3862
report and that are not included in a group described in 3863
division (H) (1) of this section. 3864

(3) If a bank organization is owned directly by a 3865
grandfathered unitary savings and loan holding company or 3866
directly or indirectly by an entity that was a grandfathered 3867
unitary savings and loan holding company on January 1, 2012, 3868
"financial institution" means a group consisting only of that 3869
bank organization and the entities included in that bank 3870
organization's call report, notwithstanding division (H) (1) or 3871
(2) of this section. 3872

"Financial institution" does not include a diversified 3873
savings and loan holding company, a grandfathered unitary 3874
savings and loan holding company, any entity that was a 3875
grandfathered unitary savings and loan holding company on 3876
January 1, 2012, or any entity that is not a bank organization 3877
or owned by a bank organization and that is owned directly or 3878
indirectly by an entity that was a grandfathered unitary savings 3879
and loan holding company on January 1, 2012. 3880

(I) "FR Y-9" means the consolidated or parent-only 3881
financial statements that a holding company is required to file 3882
with the federal reserve board pursuant to 12 U.S.C. 1844. In 3883
the case of a holding company required to file both consolidated 3884
and parent-only financial statements, "FR Y-9" means the 3885
consolidated financial statements that the holding company is 3886
required to file. 3887

(J) "Grandfathered unitary savings and loan holding company" means an entity described in 12 U.S.C. 1467a(c)(9)(C), as that section existed on December 31, 1999.

(K) "Gross receipts" means all items of income, without deduction for expenses. If the reporting person for a taxpayer is a holding company, "gross receipts" includes all items of income reported on the FR Y-9 filed by the holding company. If the reporting person for a taxpayer is a bank organization, "gross receipts" includes all items of income reported on the call report filed by the bank organization. If the reporting person for a taxpayer is a nonbank financial organization, "gross receipts" includes all items of income reported in accordance with generally accepted accounting principles.

(L) "Insurance company" means every corporation, association, and society engaged in the business of insurance of any character, or engaged in the business of entering into contracts substantially amounting to insurance of any character, or of indemnifying or guaranteeing against loss or damage, or acting as surety on bonds or undertakings. "Insurance company" also includes any health insuring corporation as defined in section 1751.01 of the Revised Code.

(M) (1) "Nonbank financial organization" means every person that is not a bank organization or a holding company of a bank organization and that engages in business primarily as a small dollar lender. "Nonbank financial organization" does not include an institution organized under the "Federal Farm Loan Act," 39 Stat. 360 (1916), or a successor of such an institution, an insurance company, a captive finance company, a credit union, an institution organized and operated exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal

Revenue Code, or a person that facilitates or services one or 3918
more securitizations for a bank organization, a holding company 3919
of a bank organization, a captive finance company, or any member 3920
of the person's affiliated group. 3921

(2) A person is engaged in business primarily as a small 3922
dollar lender if the person has, for the taxable year, gross 3923
income from the activities described in division (O) of this 3924
section that exceeds the person's gross income from all other 3925
activities. As used in division (M) of this section, "gross 3926
income" has the same meaning as in section 61 of the Internal 3927
Revenue Code, and income from transactions between the person 3928
and the other members of the affiliated group shall be 3929
eliminated, and any sales, exchanges, and other dispositions of 3930
commercial paper to persons outside the affiliated group 3931
produces gross income only to the extent the proceeds from such 3932
transactions exceed the affiliated group's basis in such 3933
commercial paper. 3934

(N) "Reporting person" means one of the following: 3935

(1) In the case of a financial institution described in 3936
division (H)(1) of this section, the top-tier holding company 3937
required to file an FR Y-9. 3938

(2) In the case of a financial institution described in 3939
division (H)(2) or (3) of this section, the bank organization 3940
required to file the call report. 3941

(3) In the case of a bank organization or nonbank 3942
financial organization that is not included in a group described 3943
in division (H)(1) or (2) of this section, the bank organization 3944
or nonbank financial organization. 3945

(O) "Small dollar lender" means any person engaged 3946

primarily in the business of loaning money to individuals, 3947
provided that the loan amounts do not exceed five thousand 3948
dollars and the duration of the loans do not exceed twelve 3949
months. A "small dollar lender" does not include a bank 3950
organization, credit union, or captive finance company. 3951

(P) "Tax year" means the calendar year for which the tax 3952
levied under section 5726.02 of the Revised Code is required to 3953
be paid. 3954

(Q) "Taxable year" means the calendar year preceding the 3955
year in which an annual report is required to be filed under 3956
section 5726.03 of the Revised Code. 3957

(R) "Taxpayer" means a financial institution subject to 3958
the tax levied under section 5726.02 of the Revised Code. 3959

(S) "Total equity capital" means the sum of the common 3960
stock at par value, perpetual preferred stock and related 3961
surplus, other surplus not related to perpetual preferred stock, 3962
retained earnings, accumulated other comprehensive income, 3963
treasury stock, unearned employee stock ownership plan shares, 3964
and other equity components of a financial institution. "Total 3965
equity capital" shall not include any noncontrolling (minority) 3966
interests as reported on an FR Y-9 or call report, unless such 3967
interests are in a bank organization or a bank holding company. 3968

(T) "Total Ohio equity capital" means the portion of the 3969
total equity capital of a financial institution apportioned to 3970
Ohio pursuant to section 5726.05 of the Revised Code. 3971

(U) "Holding company" does not include a diversified 3972
savings and loan holding company, a grandfathered unitary 3973
savings and loan holding company, any entity that was a 3974
grandfathered unitary savings and loan holding company on 3975

January 1, 2012, or any entity that is not a bank organization 3976
or owned by a bank organization and that is owned directly or 3977
indirectly by an entity that was a grandfathered unitary savings 3978
and loan holding company on January 1, 2012. 3979

(V) "Securitization" means transferring one or more assets 3980
to one or more persons and subsequently issuing securities 3981
backed by the right to receive payment from the asset or assets 3982
so transferred. 3983

Sec. 5739.02. For the purpose of providing revenue with 3984
which to meet the needs of the state, for the use of the general 3985
revenue fund of the state, for the purpose of securing a 3986
thorough and efficient system of common schools throughout the 3987
state, for the purpose of affording revenues, in addition to 3988
those from general property taxes, permitted under 3989
constitutional limitations, and from other sources, for the 3990
support of local governmental functions, and for the purpose of 3991
reimbursing the state for the expense of administering this 3992
chapter, an excise tax is hereby levied on each retail sale made 3993
in this state. 3994

(A) (1) The tax shall be collected as provided in section 3995
5739.025 of the Revised Code. The rate of the tax shall be five 3996
and three-fourths per cent. The tax applies and is collectible 3997
when the sale is made, regardless of the time when the price is 3998
paid or delivered. 3999

(2) In the case of the lease or rental, with a fixed term 4000
of more than thirty days or an indefinite term with a minimum 4001
period of more than thirty days, of any motor vehicles designed 4002
by the manufacturer to carry a load of not more than one ton, 4003
watercraft, outboard motor, or aircraft, or of any tangible 4004
personal property, other than motor vehicles designed by the 4005

manufacturer to carry a load of more than one ton, to be used by 4006
the lessee or renter primarily for business purposes, the tax 4007
shall be collected by the vendor at the time the lease or rental 4008
is consummated and shall be calculated by the vendor on the 4009
basis of the total amount to be paid by the lessee or renter 4010
under the lease agreement. If the total amount of the 4011
consideration for the lease or rental includes amounts that are 4012
not calculated at the time the lease or rental is executed, the 4013
tax shall be calculated and collected by the vendor at the time 4014
such amounts are billed to the lessee or renter. In the case of 4015
an open-end lease or rental, the tax shall be calculated by the 4016
vendor on the basis of the total amount to be paid during the 4017
initial fixed term of the lease or rental, and for each 4018
subsequent renewal period as it comes due. As used in this 4019
division, "motor vehicle" has the same meaning as in section 4020
4501.01 of the Revised Code, and "watercraft" includes an 4021
outdrive unit attached to the watercraft. 4022

A lease with a renewal clause and a termination penalty or 4023
similar provision that applies if the renewal clause is not 4024
exercised is presumed to be a sham transaction. In such a case, 4025
the tax shall be calculated and paid on the basis of the entire 4026
length of the lease period, including any renewal periods, until 4027
the termination penalty or similar provision no longer applies. 4028
The taxpayer shall bear the burden, by a preponderance of the 4029
evidence, that the transaction or series of transactions is not 4030
a sham transaction. 4031

(3) Except as provided in division (A)(2) of this section, 4032
in the case of a sale, the price of which consists in whole or 4033
in part of the lease or rental of tangible personal property, 4034
the tax shall be measured by the installments of that lease or 4035
rental. 4036

(4) In the case of a sale of a physical fitness facility 4037
service or recreation and sports club service, the price of 4038
which consists in whole or in part of a membership for the 4039
receipt of the benefit of the service, the tax applicable to the 4040
sale shall be measured by the installments thereof. 4041

(B) The tax does not apply to the following: 4042

(1) Sales to the state or any of its political 4043
subdivisions, or to any other state or its political 4044
subdivisions if the laws of that state exempt from taxation 4045
sales made to this state and its political subdivisions; 4046

(2) Sales of food for human consumption off the premises 4047
where sold; 4048

(3) Sales of food sold to students only in a cafeteria, 4049
dormitory, fraternity, or sorority maintained in a private, 4050
public, or parochial school, college, or university; 4051

(4) Sales of newspapers and sales or transfers of 4052
magazines distributed as controlled circulation publications; 4053

(5) The furnishing, preparing, or serving of meals without 4054
charge by an employer to an employee provided the employer 4055
records the meals as part compensation for services performed or 4056
work done; 4057

(6) Sales of motor fuel upon receipt, use, distribution, 4058
or sale of which in this state a tax is imposed by the law of 4059
this state, but this exemption shall not apply to the sale of 4060
motor fuel on which a refund of the tax is allowable under 4061
division (A) of section 5735.14 of the Revised Code; and the tax 4062
commissioner may deduct the amount of tax levied by this section 4063
applicable to the price of motor fuel when granting a refund of 4064
motor fuel tax pursuant to division (A) of section 5735.14 of 4065

the Revised Code and shall cause the amount deducted to be paid 4066
into the general revenue fund of this state; 4067

(7) Sales of natural gas by a natural gas company or 4068
municipal gas utility, of water by a water-works company, or of 4069
steam by a heating company, if in each case the thing sold is 4070
delivered to consumers through pipes or conduits, and all sales 4071
of communications services by a telegraph company, all terms as 4072
defined in section 5727.01 of the Revised Code, and sales of 4073
electricity delivered through wires; 4074

(8) Casual sales by a person, or auctioneer employed 4075
directly by the person to conduct such sales, except as to such 4076
sales of motor vehicles, watercraft or outboard motors required 4077
to be titled under section 1548.06 of the Revised Code, 4078
watercraft documented with the United States coast guard, 4079
snowmobiles, and all-purpose vehicles as defined in section 4080
4519.01 of the Revised Code; 4081

(9) (a) Sales of services or tangible personal property, 4082
other than motor vehicles, mobile homes, and manufactured homes, 4083
by churches, organizations exempt from taxation under section 4084
501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 4085
organizations operated exclusively for charitable purposes as 4086
defined in division (B)(12) of this section, provided that the 4087
number of days on which such tangible personal property or 4088
services, other than items never subject to the tax, are sold 4089
does not exceed six in any calendar year, except as otherwise 4090
provided in division (B)(9)(b) of this section. If the number of 4091
days on which such sales are made exceeds six in any calendar 4092
year, the church or organization shall be considered to be 4093
engaged in business and all subsequent sales by it shall be 4094
subject to the tax. In counting the number of days, all sales by 4095

groups within a church or within an organization shall be 4096
considered to be sales of that church or organization. 4097

(b) The limitation on the number of days on which tax- 4098
exempt sales may be made by a church or organization under 4099
division (B) (9) (a) of this section does not apply to sales made 4100
by student clubs and other groups of students of a primary or 4101
secondary school, or a parent-teacher association, booster 4102
group, or similar organization that raises money to support or 4103
fund curricular or extracurricular activities of a primary or 4104
secondary school. 4105

(c) Divisions (B) (9) (a) and (b) of this section do not 4106
apply to sales by a noncommercial educational radio or 4107
television broadcasting station. 4108

(10) Sales not within the taxing power of this state under 4109
the Constitution or laws of the United States or the 4110
Constitution of this state; 4111

(11) Except for transactions that are sales under division 4112
(B) (3) (r) of section 5739.01 of the Revised Code, the 4113
transportation of persons or property, unless the transportation 4114
is by a private investigation and security service; 4115

(12) Sales of tangible personal property or services to 4116
churches, to organizations exempt from taxation under section 4117
501(c) (3) of the Internal Revenue Code of 1986, and to any other 4118
nonprofit organizations operated exclusively for charitable 4119
purposes in this state, no part of the net income of which 4120
inures to the benefit of any private shareholder or individual, 4121
and no substantial part of the activities of which consists of 4122
carrying on propaganda or otherwise attempting to influence 4123
legislation; sales to offices administering one or more homes 4124

for the aged or one or more hospital facilities exempt under 4125
section 140.08 of the Revised Code; and sales to organizations 4126
described in division (D) of section 5709.12 of the Revised 4127
Code. 4128

"Charitable purposes" means the relief of poverty; the 4129
improvement of health through the alleviation of illness, 4130
disease, or injury; the operation of an organization exclusively 4131
for the provision of professional, laundry, printing, and 4132
purchasing services to hospitals or charitable institutions; the 4133
operation of a home for the aged, as defined in section 5701.13 4134
of the Revised Code; the operation of a radio or television 4135
broadcasting station that is licensed by the federal 4136
communications commission as a noncommercial educational radio 4137
or television station; the operation of a nonprofit animal 4138
adoption service or a county humane society; the promotion of 4139
education by an institution of learning that maintains a faculty 4140
of qualified instructors, teaches regular continuous courses of 4141
study, and confers a recognized diploma upon completion of a 4142
specific curriculum; the operation of a parent-teacher 4143
association, booster group, or similar organization primarily 4144
engaged in the promotion and support of the curricular or 4145
extracurricular activities of a primary or secondary school; the 4146
operation of a community or area center in which presentations 4147
in music, dramatics, the arts, and related fields are made in 4148
order to foster public interest and education therein; the 4149
production of performances in music, dramatics, and the arts; or 4150
the promotion of education by an organization engaged in 4151
carrying on research in, or the dissemination of, scientific and 4152
technological knowledge and information primarily for the 4153
public. 4154

Nothing in this division shall be deemed to exempt sales 4155

to any organization for use in the operation or carrying on of a 4156
trade or business, or sales to a home for the aged for use in 4157
the operation of independent living facilities as defined in 4158
division (A) of section 5709.12 of the Revised Code. 4159

(13) Building and construction materials and services sold 4160
to construction contractors for incorporation into a structure 4161
or improvement to real property under a construction contract 4162
with this state or a political subdivision of this state, or 4163
with the United States government or any of its agencies; 4164
building and construction materials and services sold to 4165
construction contractors for incorporation into a structure or 4166
improvement to real property that are accepted for ownership by 4167
this state or any of its political subdivisions, or by the 4168
United States government or any of its agencies at the time of 4169
completion of the structures or improvements; building and 4170
construction materials sold to construction contractors for 4171
incorporation into a horticulture structure or livestock 4172
structure for a person engaged in the business of horticulture 4173
or producing livestock; building materials and services sold to 4174
a construction contractor for incorporation into a house of 4175
public worship or religious education, or a building used 4176
exclusively for charitable purposes under a construction 4177
contract with an organization whose purpose is as described in 4178
division (B)(12) of this section; building materials and 4179
services sold to a construction contractor for incorporation 4180
into a building under a construction contract with an 4181
organization exempt from taxation under section 501(c)(3) of the 4182
Internal Revenue Code of 1986 when the building is to be used 4183
exclusively for the organization's exempt purposes; building and 4184
construction materials sold for incorporation into the original 4185
construction of a sports facility under section 307.696 of the 4186

Revised Code; building and construction materials and services 4187
sold to a construction contractor for incorporation into real 4188
property outside this state if such materials and services, when 4189
sold to a construction contractor in the state in which the real 4190
property is located for incorporation into real property in that 4191
state, would be exempt from a tax on sales levied by that state; 4192
building and construction materials for incorporation into a 4193
transportation facility pursuant to a public-private agreement 4194
entered into under sections 5501.70 to 5501.83 of the Revised 4195
Code; and, until one calendar year after the construction of a 4196
convention center that qualifies for property tax exemption 4197
under section 5709.084 of the Revised Code is completed, 4198
building and construction materials and services sold to a 4199
construction contractor for incorporation into the real property 4200
comprising that convention center; 4201

(14) Sales of ships or vessels or rail rolling stock used 4202
or to be used principally in interstate or foreign commerce, and 4203
repairs, alterations, fuel, and lubricants for such ships or 4204
vessels or rail rolling stock; 4205

(15) Sales to persons primarily engaged in any of the 4206
activities mentioned in division (B) (42) (a), (g), or (h) of this 4207
section, to persons engaged in making retail sales, or to 4208
persons who purchase for sale from a manufacturer tangible 4209
personal property that was produced by the manufacturer in 4210
accordance with specific designs provided by the purchaser, of 4211
packages, including material, labels, and parts for packages, 4212
and of machinery, equipment, and material for use primarily in 4213
packaging tangible personal property produced for sale, 4214
including any machinery, equipment, and supplies used to make 4215
labels or packages, to prepare packages or products for 4216
labeling, or to label packages or products, by or on the order 4217

of the person doing the packaging, or sold at retail. "Packages" 4218
includes bags, baskets, cartons, crates, boxes, cans, bottles, 4219
bindings, wrappings, and other similar devices and containers, 4220
but does not include motor vehicles or bulk tanks, trailers, or 4221
similar devices attached to motor vehicles. "Packaging" means 4222
placing in a package. Division (B) (15) of this section does not 4223
apply to persons engaged in highway transportation for hire. 4224

(16) Sales of food to persons using supplemental nutrition 4225
assistance program benefits to purchase the food. As used in 4226
this division, "food" has the same meaning as in 7 U.S.C. 2012 4227
and federal regulations adopted pursuant to the Food and 4228
Nutrition Act of 2008. 4229

(17) Sales to persons engaged in farming, agriculture, 4230
horticulture, or floriculture, of tangible personal property for 4231
use or consumption primarily in the production by farming, 4232
agriculture, horticulture, or floriculture of other tangible 4233
personal property for use or consumption primarily in the 4234
production of tangible personal property for sale by farming, 4235
agriculture, horticulture, or floriculture; or material and 4236
parts for incorporation into any such tangible personal property 4237
for use or consumption in production; and of tangible personal 4238
property for such use or consumption in the conditioning or 4239
holding of products produced by and for such use, consumption, 4240
or sale by persons engaged in farming, agriculture, 4241
horticulture, or floriculture, except where such property is 4242
incorporated into real property; 4243

(18) Sales of drugs for a human being that may be 4244
dispensed only pursuant to a prescription; insulin as recognized 4245
in the official United States pharmacopoeia; urine and blood 4246
testing materials when used by diabetics or persons with 4247

hypoglycemia to test for glucose or acetone; hypodermic syringes	4248
and needles when used by diabetics for insulin injections;	4249
epoetin alfa when purchased for use in the treatment of persons	4250
with medical disease; hospital beds when purchased by hospitals,	4251
nursing homes, or other medical facilities; and medical oxygen	4252
and medical oxygen-dispensing equipment when purchased by	4253
hospitals, nursing homes, or other medical facilities;	4254
(19) Sales of prosthetic devices, durable medical	4255
equipment for home use, or mobility enhancing equipment, when	4256
made pursuant to a prescription and when such devices or	4257
equipment are for use by a human being.	4258
(20) Sales of emergency and fire protection vehicles and	4259
equipment to nonprofit organizations for use solely in providing	4260
fire protection and emergency services, including trauma care	4261
and emergency medical services, for political subdivisions of	4262
the state;	4263
(21) Sales of tangible personal property manufactured in	4264
this state, if sold by the manufacturer in this state to a	4265
retailer for use in the retail business of the retailer outside	4266
of this state and if possession is taken from the manufacturer	4267
by the purchaser within this state for the sole purpose of	4268
immediately removing the same from this state in a vehicle owned	4269
by the purchaser;	4270
(22) Sales of services provided by the state or any of its	4271
political subdivisions, agencies, instrumentalities,	4272
institutions, or authorities, or by governmental entities of the	4273
state or any of its political subdivisions, agencies,	4274
instrumentalities, institutions, or authorities;	4275
(23) Sales of motor vehicles to nonresidents of this state	4276

under the circumstances described in division (B) of section	4277
5739.029 of the Revised Code;	4278
(24) Sales to persons engaged in the preparation of eggs	4279
for sale of tangible personal property used or consumed directly	4280
in such preparation, including such tangible personal property	4281
used for cleaning, sanitizing, preserving, grading, sorting, and	4282
classifying by size; packages, including material and parts for	4283
packages, and machinery, equipment, and material for use in	4284
packaging eggs for sale; and handling and transportation	4285
equipment and parts therefor, except motor vehicles licensed to	4286
operate on public highways, used in intraplant or interplant	4287
transfers or shipment of eggs in the process of preparation for	4288
sale, when the plant or plants within or between which such	4289
transfers or shipments occur are operated by the same person.	4290
"Packages" includes containers, cases, baskets, flats, fillers,	4291
filler flats, cartons, closure materials, labels, and labeling	4292
materials, and "packaging" means placing therein.	4293
(25) (a) Sales of water to a consumer for residential use;	4294
(b) Sales of water by a nonprofit corporation engaged	4295
exclusively in the treatment, distribution, and sale of water to	4296
consumers, if such water is delivered to consumers through pipes	4297
or tubing.	4298
(26) Fees charged for inspection or reinspection of motor	4299
vehicles under section 3704.14 of the Revised Code;	4300
(27) Sales to persons licensed to conduct a food service	4301
operation pursuant to section 3717.43 of the Revised Code, of	4302
tangible personal property primarily used directly for the	4303
following:	4304
(a) To prepare food for human consumption for sale;	4305

(b) To preserve food that has been or will be prepared for 4306
human consumption for sale by the food service operator, not 4307
including tangible personal property used to display food for 4308
selection by the consumer; 4309

(c) To clean tangible personal property used to prepare or 4310
serve food for human consumption for sale. 4311

(28) Sales of animals by nonprofit animal adoption 4312
services or county humane societies; 4313

(29) Sales of services to a corporation described in 4314
division (A) of section 5709.72 of the Revised Code, and sales 4315
of tangible personal property that qualifies for exemption from 4316
taxation under section 5709.72 of the Revised Code; 4317

(30) Sales and installation of agricultural land tile, as 4318
defined in division (B) (5) (a) of section 5739.01 of the Revised 4319
Code; 4320

(31) Sales and erection or installation of portable grain 4321
bins, as defined in division (B) (5) (b) of section 5739.01 of the 4322
Revised Code; 4323

(32) The sale, lease, repair, and maintenance of, parts 4324
for, or items attached to or incorporated in, motor vehicles 4325
that are primarily used for transporting tangible personal 4326
property belonging to others by a person engaged in highway 4327
transportation for hire, except for packages and packaging used 4328
for the transportation of tangible personal property; 4329

(33) Sales to the state headquarters of any veterans' 4330
organization in this state that is either incorporated and 4331
issued a charter by the congress of the United States or is 4332
recognized by the United States veterans administration, for use 4333
by the headquarters; 4334

(34) Sales to a telecommunications service vendor, mobile 4335
telecommunications service vendor, or satellite broadcasting 4336
service vendor of tangible personal property and services used 4337
directly and primarily in transmitting, receiving, switching, or 4338
recording any interactive, one- or two-way electromagnetic 4339
communications, including voice, image, data, and information, 4340
through the use of any medium, including, but not limited to, 4341
poles, wires, cables, switching equipment, computers, and record 4342
storage devices and media, and component parts for the tangible 4343
personal property. The exemption provided in this division shall 4344
be in lieu of all other exemptions under division (B) (42) (a) or 4345
(n) of this section to which the vendor may otherwise be 4346
entitled, based upon the use of the thing purchased in providing 4347
the telecommunications, mobile telecommunications, or satellite 4348
broadcasting service. 4349

(35) (a) Sales where the purpose of the consumer is to use 4350
or consume the things transferred in making retail sales and 4351
consisting of newspaper inserts, catalogues, coupons, flyers, 4352
gift certificates, or other advertising material that prices and 4353
describes tangible personal property offered for retail sale. 4354

(b) Sales to direct marketing vendors of preliminary 4355
materials such as photographs, artwork, and typesetting that 4356
will be used in printing advertising material; and of printed 4357
matter that offers free merchandise or chances to win sweepstake 4358
prizes and that is mailed to potential customers with 4359
advertising material described in division (B) (35) (a) of this 4360
section; 4361

(c) Sales of equipment such as telephones, computers, 4362
facsimile machines, and similar tangible personal property 4363
primarily used to accept orders for direct marketing retail 4364

sales. 4365

(d) Sales of automatic food vending machines that preserve 4366
food with a shelf life of forty-five days or less by 4367
refrigeration and dispense it to the consumer. 4368

For purposes of division (B) (35) of this section, "direct 4369
marketing" means the method of selling where consumers order 4370
tangible personal property by United States mail, delivery 4371
service, or telecommunication and the vendor delivers or ships 4372
the tangible personal property sold to the consumer from a 4373
warehouse, catalogue distribution center, or similar fulfillment 4374
facility by means of the United States mail, delivery service, 4375
or common carrier. 4376

(36) Sales to a person engaged in the business of 4377
horticulture or producing livestock of materials to be 4378
incorporated into a horticulture structure or livestock 4379
structure; 4380

(37) Sales of personal computers, computer monitors, 4381
computer keyboards, modems, and other peripheral computer 4382
equipment to an individual who is licensed or certified to teach 4383
in an elementary or a secondary school in this state for use by 4384
that individual in preparation for teaching elementary or 4385
secondary school students; 4386

(38) Sales to a professional racing team of any of the 4387
following: 4388

(a) Motor racing vehicles; 4389

(b) Repair services for motor racing vehicles; 4390

(c) Items of property that are attached to or incorporated 4391
in motor racing vehicles, including engines, chassis, and all 4392

other components of the vehicles, and all spare, replacement, 4393
and rebuilt parts or components of the vehicles; except not 4394
including tires, consumable fluids, paint, and accessories 4395
consisting of instrumentation sensors and related items added to 4396
the vehicle to collect and transmit data by means of telemetry 4397
and other forms of communication. 4398

(39) Sales of used manufactured homes and used mobile 4399
homes, as defined in section 5739.0210 of the Revised Code, made 4400
on or after January 1, 2000; 4401

(40) Sales of tangible personal property and services to a 4402
provider of electricity used or consumed directly and primarily 4403
in generating, transmitting, or distributing electricity for use 4404
by others, including property that is or is to be incorporated 4405
into and will become a part of the consumer's production, 4406
transmission, or distribution system and that retains its 4407
classification as tangible personal property after 4408
incorporation; fuel or power used in the production, 4409
transmission, or distribution of electricity; energy conversion 4410
equipment as defined in section 5727.01 of the Revised Code; and 4411
tangible personal property and services used in the repair and 4412
maintenance of the production, transmission, or distribution 4413
system, including only those motor vehicles as are specially 4414
designed and equipped for such use. The exemption provided in 4415
this division shall be in lieu of all other exemptions in 4416
division (B) (42) (a) or (n) of this section to which a provider 4417
of electricity may otherwise be entitled based on the use of the 4418
tangible personal property or service purchased in generating, 4419
transmitting, or distributing electricity. 4420

(41) Sales to a person providing services under division 4421
(B) (3) (r) of section 5739.01 of the Revised Code of tangible 4422

personal property and services used directly and primarily in 4423
providing taxable services under that section. 4424

(42) Sales where the purpose of the purchaser is to do any 4425
of the following: 4426

(a) To incorporate the thing transferred as a material or 4427
a part into tangible personal property to be produced for sale 4428
by manufacturing, assembling, processing, or refining; or to use 4429
or consume the thing transferred directly in producing tangible 4430
personal property for sale by mining, including, without 4431
limitation, the extraction from the earth of all substances that 4432
are classed geologically as minerals, production of crude oil 4433
and natural gas, or directly in the rendition of a public 4434
utility service, except that the sales tax levied by this 4435
section shall be collected upon all meals, drinks, and food for 4436
human consumption sold when transporting persons. Persons 4437
engaged in rendering services in the exploration for, and 4438
production of, crude oil and natural gas for others are deemed 4439
engaged directly in the exploration for, and production of, 4440
crude oil and natural gas. As used in this paragraph, "directly 4441
in producing tangible personal property for sale by production 4442
of crude oil and natural gas" includes production operation as 4443
defined by section 1509.01 of the Revised Code except that the 4444
term does not include tanks and other storage devices for 4445
holding solutions used in hydraulic fracturing, equipment used 4446
for earth moving and reclamation at a well site, or property 4447
used to transport, deliver, or remove other equipment to or from 4448
a well site or to store such equipment before using it at a well 4449
site. This paragraph does not exempt from "retail sale" or 4450
"sales at retail" the sale of tangible personal property that is 4451
to be incorporated into a structure or improvement to real 4452
property. 4453

- (b) To hold the thing transferred as security for the performance of an obligation of the vendor; 4454
4455
- (c) To resell, hold, use, or consume the thing transferred as evidence of a contract of insurance; 4456
4457
- (d) To use or consume the thing directly in commercial fishing; 4458
4459
- (e) To incorporate the thing transferred as a material or a part into, or to use or consume the thing transferred directly in the production of, magazines distributed as controlled circulation publications; 4460
4461
4462
4463
- (f) To use or consume the thing transferred in the production and preparation in suitable condition for market and sale of printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter; 4464
4465
4466
4467
4468
- (g) To use the thing transferred, as described in section 5739.011 of the Revised Code, primarily in a manufacturing operation to produce tangible personal property for sale; 4469
4470
4471
- (h) To use the benefit of a warranty, maintenance or service contract, or similar agreement, as described in division (B) (7) of section 5739.01 of the Revised Code, to repair or maintain tangible personal property, if all of the property that is the subject of the warranty, contract, or agreement would not be subject to the tax imposed by this section; 4472
4473
4474
4475
4476
4477
- (i) To use the thing transferred as qualified research and development equipment; 4478
4479
- (j) To use or consume the thing transferred primarily in storing, transporting, mailing, or otherwise handling purchased 4480
4481

sales inventory in a warehouse, distribution center, or similar 4482
facility when the inventory is primarily distributed outside 4483
this state to retail stores of the person who owns or controls 4484
the warehouse, distribution center, or similar facility, to 4485
retail stores of an affiliated group of which that person is a 4486
member, or by means of direct marketing. This division does not 4487
apply to motor vehicles registered for operation on the public 4488
highways. As used in this division, "affiliated group" has the 4489
same meaning as in division (B) (3) (e) of section 5739.01 of the 4490
Revised Code and "direct marketing" has the same meaning as in 4491
division (B) (35) of this section. 4492

(k) To use or consume the thing transferred to fulfill a 4493
contractual obligation incurred by a warrantor pursuant to a 4494
warranty provided as a part of the price of the tangible 4495
personal property sold or by a vendor of a warranty, maintenance 4496
or service contract, or similar agreement the provision of which 4497
is defined as a sale under division (B) (7) of section 5739.01 of 4498
the Revised Code; 4499

(l) To use or consume the thing transferred in the 4500
production of a newspaper for distribution to the public; 4501

(m) To use tangible personal property to perform a service 4502
listed in division (B) (3) of section 5739.01 of the Revised 4503
Code, if the property is or is to be permanently transferred to 4504
the consumer of the service as an integral part of the 4505
performance of the service; 4506

(n) To use or consume the thing transferred primarily in 4507
producing tangible personal property for sale by farming, 4508
agriculture, horticulture, or floriculture. Persons engaged in 4509
rendering farming, agriculture, horticulture, or floriculture 4510
services for others are deemed engaged primarily in farming, 4511

agriculture, horticulture, or floriculture. This paragraph does 4512
not exempt from "retail sale" or "sales at retail" the sale of 4513
tangible personal property that is to be incorporated into a 4514
structure or improvement to real property. 4515

(o) To use or consume the thing transferred in acquiring, 4516
formatting, editing, storing, and disseminating data or 4517
information by electronic publishing; 4518

(p) To provide the thing transferred to the owner or 4519
lessee of a motor vehicle that is being repaired or serviced, if 4520
the thing transferred is a rented motor vehicle and the 4521
purchaser is reimbursed for the cost of the rented motor vehicle 4522
by a manufacturer, warrantor, or provider of a maintenance, 4523
service, or other similar contract or agreement, with respect to 4524
the motor vehicle that is being repaired or serviced. 4525

As used in division (B) (42) of this section, "thing" 4526
includes all transactions included in divisions (B) (3) (a), (b), 4527
and (e) of section 5739.01 of the Revised Code. 4528

(43) Sales conducted through a coin operated device that 4529
activates vacuum equipment or equipment that dispenses water, 4530
whether or not in combination with soap or other cleaning agents 4531
or wax, to the consumer for the consumer's use on the premises 4532
in washing, cleaning, or waxing a motor vehicle, provided no 4533
other personal property or personal service is provided as part 4534
of the transaction. 4535

(44) Sales of replacement and modification parts for 4536
engines, airframes, instruments, and interiors in, and paint 4537
for, aircraft used primarily in a fractional aircraft ownership 4538
program, and sales of services for the repair, modification, and 4539
maintenance of such aircraft, and machinery, equipment, and 4540

supplies primarily used to provide those services. 4541

(45) Sales of telecommunications service that is used 4542
directly and primarily to perform the functions of a call 4543
center. As used in this division, "call center" means any 4544
physical location where telephone calls are placed or received 4545
in high volume for the purpose of making sales, marketing, 4546
customer service, technical support, or other specialized 4547
business activity, and that employs at least fifty individuals 4548
that engage in call center activities on a full-time basis, or 4549
sufficient individuals to fill fifty full-time equivalent 4550
positions. 4551

(46) Sales by a telecommunications service vendor of 900 4552
service to a subscriber. This division does not apply to 4553
information services, as defined in division (FF) of section 4554
5739.01 of the Revised Code. 4555

(47) Sales of value-added non-voice data service. This 4556
division does not apply to any similar service that is not 4557
otherwise a telecommunications service. 4558

(48) (a) Sales of machinery, equipment, and software to a 4559
qualified direct selling entity for use in a warehouse or 4560
distribution center primarily for storing, transporting, or 4561
otherwise handling inventory that is held for sale to 4562
independent salespersons who operate as direct sellers and that 4563
is held primarily for distribution outside this state; 4564

(b) As used in division (B) (48) (a) of this section: 4565

(i) "Direct seller" means a person selling consumer 4566
products to individuals for personal or household use and not 4567
from a fixed retail location, including selling such product at 4568
in-home product demonstrations, parties, and other one-on-one 4569

selling. 4570

(ii) "Qualified direct selling entity" means an entity 4571
selling to direct sellers at the time the entity enters into a 4572
tax credit agreement with the tax credit authority pursuant to 4573
section 122.17 of the Revised Code, provided that the agreement 4574
was entered into on or after January 1, 2007. Neither 4575
contingencies relevant to the granting of, nor later 4576
developments with respect to, the tax credit shall impair the 4577
status of the qualified direct selling entity under division (B) 4578
(48) of this section after execution of the tax credit agreement 4579
by the tax credit authority. 4580

(c) Division (B) (48) of this section is limited to 4581
machinery, equipment, and software first stored, used, or 4582
consumed in this state within the period commencing June 24, 4583
2008, and ending on the date that is five years after that date. 4584

(49) Sales of materials, parts, equipment, or engines used 4585
in the repair or maintenance of aircraft or avionics systems of 4586
such aircraft, and sales of repair, remodeling, replacement, or 4587
maintenance services in this state performed on aircraft or on 4588
an aircraft's avionics, engine, or component materials or parts. 4589
As used in division (B) (49) of this section, "aircraft" means 4590
aircraft of more than six thousand pounds maximum certified 4591
takeoff weight or used exclusively in general aviation. 4592

(50) Sales of full flight simulators that are used for 4593
pilot or flight-crew training, sales of repair or replacement 4594
parts or components, and sales of repair or maintenance services 4595
for such full flight simulators. "Full flight simulator" means a 4596
replica of a specific type, or make, model, and series of 4597
aircraft cockpit. It includes the assemblage of equipment and 4598
computer programs necessary to represent aircraft operations in 4599

ground and flight conditions, a visual system providing an out- 4600
of-the-cockpit view, and a system that provides cues at least 4601
equivalent to those of a three-degree-of-freedom motion system, 4602
and has the full range of capabilities of the systems installed 4603
in the device as described in appendices A and B of part 60 of 4604
chapter 1 of title 14 of the Code of Federal Regulations. 4605

(51) Any transfer or lease of tangible personal property 4606
between the state and JobsOhio in accordance with section 4607
4313.02 of the Revised Code. 4608

(52) (a) Sales to a qualifying corporation. 4609

(b) As used in division (B) (52) of this section: 4610

(i) "Qualifying corporation" means a nonprofit corporation 4611
organized in this state that leases from an eligible county 4612
land, buildings, structures, fixtures, and improvements to the 4613
land that are part of or used in a public recreational facility 4614
used by a major league professional athletic team or a class A 4615
to class AAA minor league affiliate of a major league 4616
professional athletic team for a significant portion of the 4617
team's home schedule, provided the following apply: 4618

(I) The facility is leased from the eligible county 4619
pursuant to a lease that requires substantially all of the 4620
revenue from the operation of the business or activity conducted 4621
by the nonprofit corporation at the facility in excess of 4622
operating costs, capital expenditures, and reserves to be paid 4623
to the eligible county at least once per calendar year. 4624

(II) Upon dissolution and liquidation of the nonprofit 4625
corporation, all of its net assets are distributable to the 4626
board of commissioners of the eligible county from which the 4627
corporation leases the facility. 4628

(ii) "Eligible county" has the same meaning as in section 4629
307.695 of the Revised Code. 4630

(53) Sales to or by a cable service provider, video 4631
service provider, or radio or television broadcast station 4632
regulated by the federal government of cable service or 4633
programming, video service or programming, audio service or 4634
programming, or electronically transferred digital audiovisual 4635
or audio work. As used in division (B) (53) of this section, 4636
"cable service" and "cable service provider" have the same 4637
meanings as in section 1332.01 of the Revised Code, and "video 4638
service," "video service provider," and "video programming" have 4639
the same meanings as in section 1332.21 of the Revised Code. 4640

(54) Sales of investment metal bullion and investment 4641
coins. "Investment metal bullion" means any bullion described in 4642
section 408(m) (3) (B) of the Internal Revenue Code, regardless of 4643
whether that bullion is in the physical possession of a trustee. 4644
"Investment coin" means any coin composed primarily of gold, 4645
silver, platinum, or palladium. 4646

(55) Sales of a specified digital product electronically 4647
transferred for use in or for delivery through use of a machine 4648
that accepts direct cash payments or direct payments by a 4649
financial transaction device to operate and that operates 4650
primarily for the purpose of providing entertainment or 4651
amusement, such as a juke box, music machine, arcade game, or 4652
other similar machine. As used in division (B) (55) of this 4653
section, "financial transaction device" has the same meaning as 4654
in section 113.40 of the Revised Code. 4655

(C) For the purpose of the proper administration of this 4656
chapter, and to prevent the evasion of the tax, it is presumed 4657
that all sales made in this state are subject to the tax until 4658

the contrary is established. 4659

(D) The levy of this tax on retail sales of recreation and 4660
sports club service shall not prevent a municipal corporation 4661
from levying any tax on recreation and sports club dues or on 4662
any income generated by recreation and sports club dues. 4663

(E) The tax collected by the vendor from the consumer 4664
under this chapter is not part of the price, but is a tax 4665
collection for the benefit of the state, and of counties levying 4666
an additional sales tax pursuant to section 5739.021 or 5739.026 4667
of the Revised Code and of transit authorities levying an 4668
additional sales tax pursuant to section 5739.023 of the Revised 4669
Code. Except for the discount authorized under section 5739.12 4670
of the Revised Code and the effects of any rounding pursuant to 4671
section 5703.055 of the Revised Code, no person other than the 4672
state or such a county or transit authority shall derive any 4673
benefit from the collection or payment of the tax levied by this 4674
section or section 5739.021, 5739.023, or 5739.026 of the 4675
Revised Code. 4676

Sec. 5739.03. (A) Except as provided in section 5739.05 or 4677
section 5739.051 of the Revised Code, the tax imposed by or 4678
pursuant to section 5739.02, 5739.021, 5739.023, or 5739.026 of 4679
the Revised Code shall be paid by the consumer to the vendor, 4680
and each vendor shall collect from the consumer, as a trustee 4681
for the state of Ohio, the full and exact amount of the tax 4682
payable on each taxable sale, in the manner and at the times 4683
provided as follows: 4684

(1) If the price is, at or prior to the provision of the 4685
service or the delivery of possession of the thing sold to the 4686
consumer, paid in currency passed from hand to hand by the 4687
consumer or the consumer's agent to the vendor or the vendor's 4688

agent, the vendor or the vendor's agent shall collect the tax 4689
with and at the same time as the price; 4690

(2) If the price is otherwise paid or to be paid, the 4691
vendor or the vendor's agent shall, at or prior to the provision 4692
of the service or the delivery of possession of the thing sold 4693
to the consumer, charge the tax imposed by or pursuant to 4694
section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised 4695
Code to the account of the consumer, which amount shall be 4696
collected by the vendor from the consumer in addition to the 4697
price. Such sale shall be reported on and the amount of the tax 4698
applicable thereto shall be remitted with the return for the 4699
period in which the sale is made, and the amount of the tax 4700
shall become a legal charge in favor of the vendor and against 4701
the consumer. 4702

(B) (1) (a) If any sale is claimed to be exempt under 4703
division (E) of section 5739.01 of the Revised Code or under 4704
section 5739.02 of the Revised Code, with the exception of 4705
divisions (B) (1) to (11) or (28) of section 5739.02 of the 4706
Revised Code, or if the consumer claims the transaction is not a 4707
taxable sale due to one or more of the exclusions provided under 4708
divisions (JJ) (1) to (5) of section 5739.01 of the Revised Code, 4709
the consumer must provide to the vendor, and the vendor must 4710
obtain from the consumer, a certificate specifying the reason 4711
that the sale is not legally subject to the tax. The certificate 4712
shall be in such form, and shall be provided either in a hard 4713
copy form or electronic form, as the tax commissioner 4714
prescribes. 4715

(b) A vendor that obtains a fully completed exemption 4716
certificate from a consumer is relieved of liability for 4717
collecting and remitting tax on any sale covered by that 4718

certificate. If it is determined the exemption was improperly 4719
claimed, the consumer shall be liable for any tax due on that 4720
sale under section 5739.02, 5739.021, 5739.023, or 5739.026 or 4721
Chapter 5741. of the Revised Code. Relief under this division 4722
from liability does not apply to any of the following: 4723

(i) A vendor that fraudulently fails to collect tax; 4724

(ii) A vendor that solicits consumers to participate in 4725
the unlawful claim of an exemption; 4726

(iii) A vendor that accepts an exemption certificate from 4727
a consumer that claims an exemption based on who purchases or 4728
who sells property or a service, when the subject of the 4729
transaction sought to be covered by the exemption certificate is 4730
actually received by the consumer at a location operated by the 4731
vendor in this state, and this state has posted to its web site 4732
an exemption certificate form that clearly and affirmatively 4733
indicates that the claimed exemption is not available in this 4734
state; 4735

(iv) A vendor that accepts an exemption certificate from a 4736
consumer who claims a multiple points of use exemption under 4737
division (D) of section 5739.033 of the Revised Code, if the 4738
item purchased is tangible personal property, other than 4739
prewritten computer software. 4740

(2) The vendor shall maintain records, including exemption 4741
certificates, of all sales on which a consumer has claimed an 4742
exemption, and provide them to the tax commissioner on request. 4743

(3) The tax commissioner may establish an identification 4744
system whereby the commissioner issues an identification number 4745
to a consumer that is exempt from payment of the tax. The 4746
consumer must present the number to the vendor, if any sale is 4747

claimed to be exempt as provided in this section. 4748

(4) If no certificate is provided or obtained within 4749
ninety days after the date on which such sale is consummated, it 4750
shall be presumed that the tax applies. Failure to have so 4751
provided or obtained a certificate shall not preclude a vendor, 4752
within one hundred twenty days after the tax commissioner gives 4753
written notice of intent to levy an assessment, from either 4754
establishing that the sale is not subject to the tax, or 4755
obtaining, in good faith, a fully completed exemption 4756
certificate. 4757

(5) Certificates need not be obtained nor provided where 4758
the identity of the consumer is such that the transaction is 4759
never subject to the tax imposed or where the item of tangible 4760
personal property sold or the service provided is never subject 4761
to the tax imposed, regardless of use, or when the sale is in 4762
interstate commerce. 4763

(6) If a transaction is claimed to be exempt under 4764
division (B) (13) of section 5739.02 of the Revised Code, the 4765
contractor shall obtain certification of the claimed exemption 4766
from the contractee. This certification shall be in addition to 4767
an exemption certificate provided by the contractor to the 4768
vendor. A contractee that provides a certification under this 4769
division shall be deemed to be the consumer of all items 4770
purchased by the contractor under the claim of exemption, if it 4771
is subsequently determined that the exemption is not properly 4772
claimed. The certification shall be in such form as the tax 4773
commissioner prescribes. 4774

(C) As used in this division, "contractee" means a person 4775
who seeks to enter or enters into a contract or agreement with a 4776
contractor or vendor for the construction of real property or 4777

for the sale and installation onto real property of tangible 4778
personal property. 4779

Any contractor or vendor may request from any contractee a 4780
certification of what portion of the property to be transferred 4781
under such contract or agreement is to be incorporated into the 4782
realty and what portion will retain its status as tangible 4783
personal property after installation is completed. The 4784
contractor or vendor shall request the certification by 4785
certified mail delivered to the contractee, return receipt 4786
requested. Upon receipt of such request and prior to entering 4787
into the contract or agreement, the contractee shall provide to 4788
the contractor or vendor a certification sufficiently detailed 4789
to enable the contractor or vendor to ascertain the resulting 4790
classification of all materials purchased or fabricated by the 4791
contractor or vendor and transferred to the contractee. This 4792
requirement applies to a contractee regardless of whether the 4793
contractee holds a direct payment permit under section 5739.031 4794
of the Revised Code or provides to the contractor or vendor an 4795
exemption certificate as provided under this section. 4796

For the purposes of the taxes levied by this chapter and 4797
Chapter 5741. of the Revised Code, the contractor or vendor may 4798
in good faith rely on the contractee's certification. 4799
Notwithstanding division (B) of section 5739.01 of the Revised 4800
Code, if the tax commissioner determines that certain property 4801
certified by the contractee as tangible personal property 4802
pursuant to this division is, in fact, real property, the 4803
contractee shall be considered to be the consumer of all 4804
materials so incorporated into that real property and shall be 4805
liable for the applicable tax, and the contractor or vendor 4806
shall be excused from any liability on those materials. 4807

If a contractee fails to provide such certification upon 4808
the request of the contractor or vendor, the contractor or 4809
vendor shall comply with the provisions of this chapter and 4810
Chapter 5741. of the Revised Code without the certification. If 4811
the tax commissioner determines that such compliance has been 4812
performed in good faith and that certain property treated as 4813
tangible personal property by the contractor or vendor is, in 4814
fact, real property, the contractee shall be considered to be 4815
the consumer of all materials so incorporated into that real 4816
property and shall be liable for the applicable tax, and the 4817
construction contractor or vendor shall be excused from any 4818
liability on those materials. 4819

This division does not apply to any contract or agreement 4820
where the tax commissioner determines as a fact that a 4821
certification under this division was made solely on the 4822
decision or advice of the contractor or vendor. 4823

(D) Notwithstanding division (B) of section 5739.01 of the 4824
Revised Code, whenever the total rate of tax imposed under this 4825
chapter is increased after the date after a construction 4826
contract is entered into, the contractee shall reimburse the 4827
construction contractor for any additional tax paid on tangible 4828
property consumed or services received pursuant to the contract. 4829

(E) A vendor who files a petition for reassessment 4830
contesting the assessment of tax on sales for which the vendor 4831
obtained no valid exemption certificates and for which the 4832
vendor failed to establish that the sales were properly not 4833
subject to the tax during the one-hundred-twenty-day period 4834
allowed under division (B) of this section, may present to the 4835
tax commissioner additional evidence to prove that the sales 4836
were properly subject to a claim of exception or exemption. The 4837

vendor shall file such evidence within ninety days of the 4838
receipt by the vendor of the notice of assessment, except that, 4839
upon application and for reasonable cause, the period for 4840
submitting such evidence shall be extended thirty days. 4841

The commissioner shall consider such additional evidence 4842
in reaching the final determination on the assessment and 4843
petition for reassessment. 4844

(F) Whenever a vendor refunds the price, minus any 4845
separately stated delivery charge, of an item of tangible 4846
personal property on which the tax imposed under this chapter 4847
has been paid, the vendor shall also refund the amount of tax 4848
paid, minus the amount of tax attributable to the delivery 4849
charge. 4850

Section 2. That existing sections 122.121, 149.311, 4851
339.02, 339.05, 749.07, 749.18, 951.02, 951.13, 1711.50, 4852
1711.57, 4141.01, 4141.25, 4141.30, 4727.02, 4727.03, 4727.06, 4853
4727.10, 4727.11, 4727.12, 4727.19, 4727.20, 5709.20, 5709.45, 4854
5726.01, 5739.02, and 5739.03 of the Revised Code and Section 4 4855
of Sub. H.B. 5 of the 130th General Assembly are hereby 4856
repealed. 4857

Section 3. (A) Except as otherwise provided, terms used in 4858
this section have the same meaning as in section 149.311 of the 4859
Revised Code. As used in this section: 4860

(1) "Uncompleted project" means an historic building, the 4861
rehabilitation of which the Director of Development Services 4862
approved under division (D) of former section 149.311 of the 4863
Revised Code for the application period described in division 4864
(A) (9) (a) of that section as eligible for a tax credit under 4865
that section, but the owners of which were not awarded a 4866

rehabilitation tax credit certificate or received a tax credit 4867
for less than twenty-five per cent of the qualified 4868
rehabilitation expenditures approved under that section. 4869

(2) "Former section 149.311 of the Revised Code" means 4870
section 149.311 of the Revised Code as that section existed on 4871
April 4, 2007. 4872

(B) Notwithstanding section 149.311 of the Revised Code, 4873
within thirty days after the effective date of this section, the 4874
Director of Development Services shall approve, as eligible to 4875
receive a rehabilitation tax credit certificate, the catalytic 4876
project of each person that applied for but was not approved for 4877
a rehabilitation tax credit on the basis of a catalytic project 4878
under division (D)(6) of that section for the fiscal year 2016- 4879
2017 biennium upon the project and applicant meeting the 4880
conditions prescribed in divisions (D)(3) or (4) and (D)(5) of 4881
that section. The amount of credit awarded to such a person 4882
shall equal the lesser of twenty-five per cent of the qualified 4883
rehabilitation expenditures, twenty-five million dollars, or 4884
one-half of the maximum amount of credit that could have been 4885
claimed by the owners of uncompleted projects had the Director 4886
issued rehabilitation tax credit certificates to each such owner 4887
based on qualified rehabilitation expenditures the applicant 4888
estimated would be paid or incurred for the uncompleted project. 4889

A credit awarded pursuant to this section is a credit 4890
awarded under division (D)(6) of section 149.311 of the Revised 4891
Code for the purposes of that section but is not subject to the 4892
limitation on the number of tax credit certificates issued under 4893
that division during a biennium. The credit may be claimed by a 4894
certificate owner in the amount and manner described in division 4895
(H) of section 149.311 and sections 5725.151, 5725.34, 5726.52, 4896

5729.17, 5733.47, and 5747.76 of the Revised Code. The amount of 4897
a credit awarded under this section is a credit approved by the 4898
Director for purposes of the limit described in division (D)(2) 4899
of section 149.311 of the Revised Code for a fiscal year. 4900

Section 4. The amendment by this act of section 5709.20 4901
and division (B)(42) of section 5739.02 of the Revised Code is a 4902
remedial measure intended to clarify existing law. The General 4903
Assembly intends those amendments to be applied retrospectively 4904
to all cases pending on or transactions occurring after the 4905
effective date of section 1509.01 of the Revised Code as amended 4906
by Sub. S.B. 165 of the 128th General Assembly. 4907

Section 5. The legislative body, as that term is defined 4908
in section 5709.52 of the Revised Code, of a municipal 4909
corporation, township, or county shall not declare the 4910
development or redevelopment of a parcel to be a public purpose 4911
and exempt that parcel from taxation as provided in that section 4912
for any tax year before tax year 2017. 4913

Section 6. The amendment by this act of section 5726.01 of 4914
the Revised Code is intended to be remedial in nature and to 4915
clarify the law as it existed prior to the enactment of this act 4916
and shall be construed accordingly. The amendment shall apply to 4917
tax years beginning on or after January 1, 2014. 4918

Section 7. The enactment by this act of division (B)(55) 4919
of section 5739.02 of the Revised Code applies beginning on the 4920
first day of the first month that begins after the effective 4921
date of this section. 4922

Section 8. (A) As used in this section, "tax credit- 4923
eligible production," "motion picture company," and "eligible 4924
production expenditures" have the same meanings as in section 4925

122.85 of the Revised Code. 4926

(B) Notwithstanding section 122.85 of the Revised Code or 4927
the rules adopted by the Director of Development Services under 4928
division (G) of that section, a television program produced in 4929
this state during the first six months of calendar year 2017 4930
shall be certified by the Director as a tax credit-eligible 4931
production for fiscal year 2018 even though the production is 4932
commenced before the start of that fiscal year. The tax credit 4933
certificate issued to the motion picture company responsible for 4934
such a production shall include all eligible production 4935
expenditures incurred during the first six months of calendar 4936
year 2017 even if the expenditures were incurred before the 4937
program was certified as tax credit-eligible and even though the 4938
expenditures were incurred before the start of fiscal year 2018. 4939

(C) A credit awarded under this section shall not exceed 4940
\$12 million and shall not be claimed before July 1, 2017. A 4941
credit awarded under this section shall not be counted for the 4942
purposes of the annual cap prescribed by division (C) (4) of 4943
section 122.85 of the Revised Code for Fiscal Year 2017 but 4944
shall be counted for the purposes of the annual cap prescribed 4945
by that division for fiscal year 2018. 4946

Section 9. For fiscal years 2017 and 2018, the legislative 4947
authority of a municipal corporation in Stark County may conduct 4948
a pilot program whereby the legislative authority may use up to 4949
five per cent of the aggregate amount of money deposited in the 4950
municipal corporation's sewer fund and up to five per cent of 4951
the aggregate amount of money deposited in a fund created by the 4952
municipal corporation for waterworks for the purpose of 4953
extending the municipal corporation's water or sewerage system, 4954
as applicable, if both of the following apply: 4955

(1) The water or sewerage system is being extended to 4956
areas for economic development purposes. 4957

(2) The areas into which the water or sewerage system is 4958
being extended are the subject of a cooperative economic 4959
development agreement entered into by the municipal corporation 4960
under section 701.07 of the Revised Code. 4961

With regard to either fund, the legislative authority 4962
shall not exceed the five per cent limit established in this 4963
section. 4964

Section 10. The Municipal Income Tax Net Operating Loss 4965
Review Committee, as created in Section 4 of Sub. H.B. 5 of the 4966
130th General Assembly and referenced in Section 3 of Sub. H.B. 4967
182 of the 131st General Assembly, is hereby discharged of all 4968
duties and requirements delineated under those sections. 4969

Section 11. The amendment by this act of section 5739.03 4970
of the Revised Code applies on and after January 1, 2017. 4971

Section 12. The items of law contained in this act, and 4972
their applications, are severable. If any item of law contained 4973
in this act, or if any application of any item of law contained 4974
in this act, is held invalid, the invalidity does not affect 4975
other items of law contained in this act and their applications 4976
that can be given effect without the invalid item of law or 4977
application. 4978

Section 13. The General Assembly, applying the principle 4979
stated in division (B) of section 1.52 of the Revised Code that 4980
amendments are to be harmonized if reasonably capable of 4981
simultaneous operation, finds that the composite is the 4982
resulting version of the following sections in effect prior to 4983
the effective date of the section as presented in this act: 4984

Section 5739.02 of the Revised Code is presented in this	4985
act as a composite of the section as amended by Am. Sub. H.B.	4986
64, Sub. H.B. 390, and Sub. S.B. 172, all of the 131st General	4987
Assembly.	4988