

\_\_\_\_\_ moved to amend as follows:

Engross the bill as directed by the commands in the amendments attached hereto, ignoring matter extraneous to those commands

INDEX

The following amendments are attached hereto:

Amendment No.	Subject
AM-0671	Applied bachelor's degree programs at two-year institutions of higher education
AM-0675-1	School district TPP reimbursement payments
AM-0693	Transportation financing districts
AM-0695-1	Tourism development district funding
AM-0736	Ohio History Connection
AM-0737-1	Lupus education
AM-0738	Cash Transfers to the GRF from non-GRF Funds
AM-0739-2	SOS Computer Expenses
AM-0741	Veterans organizations grant program

**AM0901**

Amendment No.	Subject
AM-0777-1	Transportation of person between county jail and courts
AM-0806	SERS cost-of-living adjustments
AM-0822	Ohio River Valley Jail funding
AM-0832	College credit for comparable coursework
AM-0834	Community school sponsors
AM-0846	Lakes in Economic Distress Program
AM-0871-1	DSA: Rural growth investment credit; sales tax exemption for eyeglasses and contacts
AM-0887	MHA human trafficking earmark
AM-0899	Business income deduction for PEO-paid compensation

1 The motion was \_\_\_\_\_ agreed to.

Am. Sub. S.B. 8

## As Passed by the House

**Topic:** Applied bachelor's degree programs at two-year institutions of higher education

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend section	1
3333.051, to"; after "Code" insert a comma	2
In line 5 of the title, delete all after "Program"	3
Delete lines 6 and 7 of the title	4
In line 8 of the title, delete all before the comma; after	5
the comma insert "to revise the law regarding applied bachelor's	6
degree programs offered at two-year state institutions of higher	7
education,"	8
In line 11, after "section" insert "3333.051 be amended and	9
section"	10
Between lines 86 and 87, insert:	11
" <b>Sec. 3333.051.</b> (A) The chancellor of higher education shall	12
establish a program under which a community college established	13
under Chapter 3354., technical college established under Chapter	14
3357., or state community college established under Chapter 3358.	15
of the Revised Code may apply to the chancellor for authorization	16
to offer applied bachelor's degree programs.	17
The chancellor may approve programs under this section that	18

demonstrate all of the following:	19
(1) Evidence of an agreement between the college and a	20
regional business or industry to train students in an in-demand	21
field and to employ students upon their successful completion of	22
the program;	23
(2) That the workforce need of the regional business or	24
industry is in an in-demand field with long-term sustainability	25
based upon data provided by the governor's office of workforce	26
transformation;	27
(3) Supporting data that identifies the specific workforce	28
need the program will address;	29
(4) The absence of a bachelor's degree program that meets the	30
workforce need addressed by the proposed program that is offered	31
by a state university or private college or university;	32
(5) Willingness of an industry partner to offer	33
workplace-based learning and employment opportunities to students	34
enrolled in the proposed program.	35
<del>(B) The chancellor may approve a program under this section</del>	36
<del>that does not meet the criteria described in division (A) of this</del>	37
<del>section, if the program clearly demonstrates a unique approach, as</del>	38
<del>determined by the chancellor, to benefit the state's system of</del>	39
<del>higher education or the state of Ohio.</del>	40
<del>(C)</del> Before approving a program under this section, the	41
chancellor shall consult with the governor's office of workforce	42
transformation, the inter-university council of Ohio, the Ohio	43
association of community colleges, and the association of	44
independent colleges and universities of Ohio, or any successor to	45
those organizations.	46
<del>(D)</del> <u>(C)</u> As used in this section:	47

(1) "Applied bachelor's degree" means a bachelor's degree 48  
that is both of the following: 49

(a) Specifically designed for an individual who holds an 50  
associate of applied science degree, or its equivalent, in order 51  
to maximize application of the individual's technical course 52  
credits toward the bachelor's degree; 53

(b) Based on curriculum that incorporates both theoretical 54  
and applied knowledge and skills in a specific technical field. 55

(2) "Private college or university" means a nonprofit 56  
institution that holds a certificate of authorization pursuant to 57  
Chapter 1713. of the Revised Code. 58

(3) "State university" has the same meaning as in section 59  
3345.011 of the Revised Code. 60

**Section 2.** That existing section 3333.051 of the Revised Code 61  
is hereby repealed." 62

In line 87, delete "2" and insert "3" 63

In line 94, delete "3" and insert "4" 64

In line 118, delete "4" and insert "5" 65

In line 136, delete "5" and insert "6" 66

In line 147, delete "6" and insert "7" 67

In line 304, delete "7" and insert "8" 68

The motion was \_\_\_\_\_ agreed to.

Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, after "Sections" insert "265.220, 1  
265.233,"; after "337.50" insert a comma 2

In line 8 of the title, after the comma insert "to modify the 3  
schedule for phasing down tangible personal property tax 4  
reimbursement payments to school districts, to modify the payment 5  
cap in the school funding formula" 6

In line 87, after "**Section 2.**" insert "(A) As used in this 7  
section: 8

(1) "Total resources" means, for the purpose of calculating 9  
the payments to be made to school districts under division (B) of 10  
this section, the sum of the amounts described in divisions 11  
(A)(1)(a) to (f) of this section less any reduction required under 12  
division (E) of this section. 13

(a) The state education aid for fiscal year 2017; 14

(b) The sum of the payments received by the district in 15  
fiscal year 2017 under divisions (C)(1) and (D) of section 5709.92 16  
of the Revised Code; 17

(c) The district's taxes charged and payable against all 18  
property on the tax list of real and public utility property for 19  
current expense purposes for tax year 2016, including taxes 20

charged and payable from emergency levies charged and payable 21  
under sections 5705.194 to 5705.197 of the Revised Code, excluding 22  
taxes levied for joint vocational school district purposes or 23  
levied under section 5705.23 of the Revised Code; 24

(d) Revenue received during calendar year 2016 from an income 25  
tax levied under Chapter 5748. of the Revised Code; 26

(e) Distributions received during calendar year 2016 from 27  
taxes levied under section 718.09 or 718.10 of the Revised Code; 28

(f) Distributions received during fiscal year 2017 from the 29  
gross casino revenue county student fund. 30

(2) "Total resources" means, for the purpose of calculating 31  
the payments to be made to joint vocational school districts under 32  
divisions (B) and (D) of this section, the sum of the amounts 33  
described in divisions (A)(2)(a) to (d) of this section less any 34  
reduction required under division (E) of this section. 35

(a) The state education aid for fiscal year 2017; 36

(b) The sum of the payments received by the district in 37  
fiscal year 2017 under division (C)(1) of section 5709.92 of the 38  
Revised Code; 39

(c) The district's taxes charged and payable against all 40  
property on the tax list of real and public utility property for 41  
current expense purposes for tax year 2016, including taxes 42  
charged and payable from emergency levies charged and payable 43  
under sections 5705.194 to 5705.197 of the Revised Code; 44

(d) Distributions received during fiscal year 2017 from the 45  
gross casino revenue county student fund. 46

(3)(a) "State education aid" for a school district means the 47  
sum of state amounts computed for the district under sections 48

3317.022 and 3317.0212 of the Revised Code after any amounts are  
added or subtracted under Section 263.230 of Am. Sub. H.B. 64 of  
the 131st General Assembly, entitled "TRANSITIONAL AID FOR CITY,  
LOCAL, AND EXEMPTED VILLAGE SCHOOL DISTRICTS."

(b) "State education aid" for a joint vocational district  
means the amount computed for the district under section 3317.16  
of the Revised Code after any amounts are added or subtracted  
under Section 263.240 of Am. Sub. H.B. 64 of the 131st General  
Assembly, entitled "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL  
DISTRICTS."

(B)(1) In fiscal year 2018, if the amount described in  
division (B)(2) of this section is greater than the amount a  
school district or joint vocational school district will receive  
under division (C)(2) of section 5709.92 of the Revised Code, a  
supplemental payment shall be made to the district equal to the  
difference between the amount described in division (B)(2) of this  
section and the amount the district receives under division (C)(2)  
of section 5709.92 of the Revised Code.

(2) The difference obtained by subtracting the amount  
described in division (B)(2)(b) of this section from the amount  
described in division (B)(2)(a) of this section.

(a) The sum of the payments received by the district in  
fiscal year 2017 under division (C)(1)(b) of section 5709.92 of  
the Revised Code and Section 263.325 of Am. Sub. H.B. 64 of the  
131st General Assembly, as amended by Sub. S.B. 208 of the 131st  
General Assembly;

(b) Three and one-half per cent of the district's total  
resources.

(C)(1) In fiscal year 2019, if the amount described in

division (C)(2) of this section is greater than the amount a 78  
school district other than a joint vocational school district will 79  
receive under division (C)(2) of section 5709.92 of the Revised 80  
Code, a supplemental payment shall be made to the district equal 81  
to the difference between the amount described in division (C)(2) 82  
of this section and the amount the district receives under 83  
division (C)(2) of section 5709.92 of the Revised Code. 84

(2) The difference obtained by subtracting the amount 85  
described in division (C)(2)(b) of this section from the amount 86  
described in division (C)(2)(a) of this section. 87

(a) The sum of the payments received by the district under 88  
this section and division (C)(2) of section 5709.92 of the Revised 89  
Code in fiscal year 2018; 90

(b) One-sixteenth of one per cent of the average of the total 91  
taxable value of the district for tax years 2014, 2015, and 2016. 92

(D)(1) In fiscal year 2019, if the amount described in 93  
division (D)(2) of this section is greater than the amount a joint 94  
vocational school district will receive under division (C)(2) of 95  
section 5709.92 of the Revised Code, a supplemental payment shall 96  
be made to the district equal to the difference between the amount 97  
described in division (D)(2) of this section and the amount the 98  
district receives under division (C)(2) of section 5709.92 of the 99  
Revised Code. 100

(2) The difference obtained by subtracting the amount 101  
described in division (D)(2)(b) of this section from the amount 102  
described in division (D)(2)(a) of this section. 103

(a) The sum of the payments received by the district under 104  
this section and division (C)(2) of section 5709.92 of the Revised 105  
Code in fiscal year 2018; 106

(b) Three and one-half per cent of the district's total 107  
resources. 108

(E) "Total resources" used to compute payments under 109  
divisions (B) and (D) of this section shall be reduced to the 110  
extent that payments distributed in fiscal year 2017 were 111  
attributable to levies no longer charged and payable for tax year 112  
2016. 113

**Section 3."** 114

In line 94, delete "3." and insert "4." 115

In line 118, delete "4." and insert "5." 116

In line 136, delete "5." and insert "6." 117

In line 147, delete "6." and insert "7."; after "Sections" 118  
insert "265.220, 265.233,"; after "337.50" insert a comma 119

Between lines 149 and 150, insert: 120

**"Sec. 265.220. TEMPORARY TRANSITIONAL AID FOR CITY, LOCAL,** 121  
**AND EXEMPTED VILLAGE SCHOOL DISTRICTS** 122

(A) The Department of Education shall distribute funds within 123  
appropriation item 200550, Foundation Funding, for temporary 124  
transitional aid in each fiscal year to each qualifying city, 125  
local, and exempted village school district. 126

(1) For fiscal years 2018 and 2019, the Department shall pay 127  
temporary transitional aid to each city, local, and exempted 128  
village school district according to the following formula: 129

(The district's transitional aid guarantee base x the district's 130  
transitional aid guarantee base percentage) - the district's 131  
foundation funding for the guarantee 132

If the computation made under this division results in a 133

negative number, the district's funding under this division shall 134  
be zero. 135

(2) As used in this section, "foundation funding for the 136  
guarantee" for each city, local, and exempted village school 137  
district, for fiscal year 2018, equals the sum of the following 138  
amounts for that fiscal year: 139

(a) The opportunity grant under division (A)(1) of section 140  
3317.022 of the Revised Code; 141

(b) Targeted assistance funds under division (A)(2) of 142  
section 3317.022 of the Revised Code; 143

(c) Additional state aid for special education and related 144  
services under division (A)(3) of section 3317.022 of the Revised 145  
Code; 146

(d) Kindergarten through third grade literacy funds under 147  
division (A)(4) of section 3317.022 of the Revised Code; 148

(e) Economically disadvantaged funds under division (A)(5) of 149  
section 3317.022 of the Revised Code; 150

(f) Limited English proficiency funds under division (A)(6) 151  
of section 3317.022 of the Revised Code; 152

(g) Gifted identification and unit funds under division 153  
(A)(7) of section 3317.022 of the Revised Code; 154

(h) Capacity aid funds under division (A)(10) of section 155  
3317.022 of the Revised Code; 156

(i) The graduation bonus under division (A)(11) of section 157  
3317.022 of the Revised Code; 158

(j) The third grade reading bonus under division (A)(12) of 159  
section 3317.022 of the Revised Code; 160

(k) Transportation funds under divisions (E) and (F) of	161
section 3317.0212 of the Revised Code and division (D)(2) of	162
section 3314.091 of the Revised Code;	163
(l) Transportation supplement funds under division (G) of	164
section 3317.0212 of the Revised Code.	165
(3) As used in this section, "foundation funding for the	166
guarantee" for each city, local, and exempted village school	167
district, for fiscal year 2019, equals the sum of the following	168
amounts for that fiscal year:	169
(a) The opportunity grant under division (A)(1) of section	170
3317.022 of the Revised Code;	171
(b) Targeted assistance funds under division (A)(2) of	172
section 3317.022 of the Revised Code;	173
(c) Additional state aid for special education and related	174
services under division (A)(3) of section 3317.022 of the Revised	175
Code;	176
(d) Kindergarten through third grade literacy funds under	177
division (A)(4) of section 3317.022 of the Revised Code;	178
(e) Economically disadvantaged funds under division (A)(5) of	179
section 3317.022 of the Revised Code;	180
(f) Limited English proficiency funds under division (A)(6)	181
of section 3317.022 of the Revised Code;	182
(g) Gifted identification and unit funds under division	183
(A)(7) of section 3317.022 of the Revised Code;	184
(h) Capacity aid funds under division (A)(10) of section	185
3317.022 of the Revised Code;	186
(i) The graduation bonus under division (A)(11) of section	187
3317.022 of the Revised Code;	188

(j) The third grade reading bonus under division (A)(12) of section 3317.022 of the Revised Code;	189 190
(k) Transportation funds under divisions (E) and (F) of section 3317.0212 of the Revised Code and division (D)(2) of section 3314.091 of the Revised Code;	191 192 193
(l) Transportation supplement funds under division (G) of section 3317.0212 of the Revised Code.	194 195
(4) As used in this section, the "transitional aid guarantee base" for each city, local, and exempted village school district, for fiscal year 2018, equals the sum of the following amounts computed for the district for fiscal year 2017 after any reductions made for fiscal year 2017 under division (B) of Section 263.230 of Am. Sub. H.B. 64 of the 131st General Assembly:	196 197 198 199 200 201
(a) The opportunity grant under division (A)(1) of section 3317.022 of the Revised Code;	202 203
(b) Targeted assistance funds under division (A)(2) of section 3317.022 of the Revised Code;	204 205
(c) Additional state aid for special education and related services under division (A)(3) of section 3317.022 of the Revised Code;	206 207 208
(d) Kindergarten through third grade literacy funds under division (A)(4) of section 3317.022 of the Revised Code;	209 210
(e) Economically disadvantaged funds under division (A)(5) of section 3317.022 of the Revised Code;	211 212
(f) Limited English proficiency funds under division (A)(6) of section 3317.022 of the Revised Code;	213 214
(g) Gifted identification and unit funds under division (A)(7) of section 3317.022 of the Revised Code;	215 216

(h) Capacity aid funds under division (A)(10) of section 3317.022 of the Revised Code;	217 218
(i) The graduation bonus under division (A)(11) of section 3317.022 of the Revised Code;	219 220
(j) The third grade reading bonus under division (A)(12) of section 3317.022 of the Revised Code;	221 222
(k) Transportation funds under divisions (E) and (F) of section 3317.0212 of the Revised Code and division (D)(2) of section 3314.091 of the Revised Code;	223 224 225
(l) Transportation supplement funds under division (G) of section 3317.0212 of the Revised Code;	226 227
(m) Temporary transitional aid under division (A) of Section 263.230 of Am. Sub. H.B. 64 of the 131st General Assembly.	228 229
(5) As used in this section, the "transitional aid guarantee base" for each city, local, and exempted village school district, for fiscal year 2019, equals the transitional aid guarantee base for fiscal year 2018 computed for the district pursuant to division (A)(4) of this section.	230 231 232 233 234
(6) The "transitional aid guarantee base percentage" for each city, local, and exempted village school district, for fiscal years 2018 and 2019, shall be computed as follows:	235 236 237
(a) Calculate each district's total ADM percentage change in accordance with the following formula:	238 239
(The district's total ADM for fiscal year 2016 / the district's total ADM for fiscal year 2014) - 1	240 241
(b) Determine the district's transitional aid guarantee base percentage as follows:	242 243
(i) If the district's total ADM percentage change calculated	244

in division (A)(6)(a) of this section equals a decrease of ten per cent or more, then the district's transitional aid guarantee base percentage shall be equal to ninety-five per cent.

(ii) If the district's total ADM percentage change calculated in division (A)(6)(a) of this section equals a decrease of less than ten per cent but more than five per cent, then the district's transitional aid guarantee base percentage shall be equal to the district's total ADM percentage change calculated in division (A)(6)(a) of this section plus one hundred five per cent.

(iii) If the district's total ADM percentage change calculated in division (A)(6)(a) of this section equals a decrease of five per cent or less, no change, or an increase of any amount, then the district's transitional aid guarantee base percentage shall be equal to one hundred per cent.

(7) The Department of Education shall adjust, as necessary, the transitional aid guarantee base of any local school district that participates in the establishment of a joint vocational school district that begins receiving payments under section 3317.16 of the Revised Code for fiscal year 2018 or fiscal year 2019 but does not receive payments for the prior fiscal year. The Department shall adjust any such local school district's guarantee base according to the amounts received by the district in the prior fiscal year for career-technical education students who attend the newly established joint vocational school district.

(B)(1) Notwithstanding section 3317.022 of the Revised Code, in fiscal years 2018 and 2019, no city, local, or exempted village school district shall be allocated foundation funding subject to the limitation for the current fiscal year that is greater than the district's limitation base multiplier times the district's limitation base for the current fiscal year, except as provided in

division (B)(9) of this section.	275
(2) As used in this section, "foundation funding subject to the limitation" for each city, local, and exempted village school district, for fiscal year 2018, equals the sum of the following amounts for that fiscal year:	276 277 278 279
(a) The opportunity grant under division (A)(1) of section 3317.022 of the Revised Code;	280 281
(b) Targeted assistance funds under division (A)(2) of section 3317.022 of the Revised Code;	282 283
(c) Additional state aid for special education and related services under division (A)(3) of section 3317.022 of the Revised Code;	284 285 286
(d) Kindergarten through third grade literacy funds under division (A)(4) of section 3317.022 of the Revised Code;	287 288
(e) Economically disadvantaged funds under division (A)(5) of section 3317.022 of the Revised Code;	289 290
(f) Limited English proficiency funds under division (A)(6) of section 3317.022 of the Revised Code;	291 292
(g) Gifted identification and unit funds under division (A)(7) of section 3317.022 of the Revised Code;	293 294
(h) Capacity aid funds under division (A)(10) of section 3317.022 of the Revised Code;	295 296
(i) Transportation funds under divisions (E) and (F) of section 3317.0212 of the Revised Code and division (D)(2) of section 3314.091 of the Revised Code;	297 298 299
(j) Transportation supplement funds under division (G) of section 3317.0212 of the Revised Code;	300 301

(k) Temporary transitional aid under division (A) of this section. 302 303

(3) As used in this section, "foundation funding subject to the limitation" for each city, local, and exempted village school district, for fiscal year 2019, equals the sum of the following amounts for that fiscal year: 304 305 306 307

(a) The opportunity grant under division (A)(1) of section 3317.022 of the Revised Code; 308 309

(b) Targeted assistance funds under division (A)(2) of section 3317.022 of the Revised Code; 310 311

(c) Additional state aid for special education and related services under division (A)(3) of section 3317.022 of the Revised Code; 312 313 314

(d) Kindergarten through third grade literacy funds under division (A)(4) of section 3317.022 of the Revised Code; 315 316

(e) Economically disadvantaged funds under division (A)(5) of section 3317.022 of the Revised Code; 317 318

(f) Limited English proficiency funds under division (A)(6) of section 3317.022 of the Revised Code; 319 320

(g) Gifted identification and unit funds under division (A)(7) of section 3317.022 of the Revised Code; 321 322

(h) Capacity aid funds under division (A)(10) of section 3317.022 of the Revised Code; 323 324

(i) Transportation funds under divisions (E) and (F) of section 3317.0212 of the Revised Code and division (D)(2) of section 3314.091 of the Revised Code; 325 326 327

(j) Transportation supplement funds under division (G) of section 3317.0212 of the Revised Code; 328 329

(k) Temporary transitional aid under division (A) of this section. 330 331

(4) As used in this section, the "limitation base" for each city, local, and exempted village school district, for fiscal year 2018, equals the sum of the following amounts computed for the district for fiscal year 2017 after any reductions made for fiscal year 2017 under division (B) of Section 263.230 of Am. Sub. H.B. 64 of the 131st General Assembly: 332 333 334 335 336 337

(a) The opportunity grant under division (A)(1) of section 3317.022 of the Revised Code; 338 339

(b) Targeted assistance funds under division (A)(2) of section 3317.022 of the Revised Code; 340 341

(c) Additional state aid for special education and related services under division (A)(3) of section 3317.022 of the Revised Code; 342 343 344

(d) Kindergarten through third grade literacy funds under division (A)(4) of section 3317.022 of the Revised Code; 345 346

(e) Economically disadvantaged funds under division (A)(5) of section 3317.022 of the Revised Code; 347 348

(f) Limited English proficiency funds under division (A)(6) of section 3317.022 of the Revised Code; 349 350

(g) Gifted identification and unit funds under division (A)(7) of section 3317.022 of the Revised Code; 351 352

(h) Capacity aid funds under division (A)(10) of section 3317.022 of the Revised Code; 353 354

(i) Transportation funds under divisions (E) and (F) of section 3317.0212 of the Revised Code and division (D)(2) of section 3314.091 of the Revised Code; 355 356 357

(j) Transportation supplement funds under division (G) of 358  
section 3317.0212 of the Revised Code; 359

(k) Temporary transitional aid under division (A) of Section 360  
263.230 of Am. Sub. H.B. 64 of the 131st General Assembly. 361

(5) As used in this section, the "limitation base" for each 362  
city, local, and exempted village school district, for fiscal year 363  
2019, equals the sum of the following amounts computed for the 364  
district for fiscal year 2018 after any reductions made for fiscal 365  
year 2018 under division (B) of this section: 366

(a) The opportunity grant under division (A)(1) of section 367  
3317.022 of the Revised Code; 368

(b) Targeted assistance funds under division (A)(2) of 369  
section 3317.022 of the Revised Code; 370

(c) Additional state aid for special education and related 371  
services under division (A)(3) of section 3317.022 of the Revised 372  
Code; 373

(d) Kindergarten through third grade literacy funds under 374  
division (A)(4) of section 3317.022 of the Revised Code; 375

(e) Economically disadvantaged funds under division (A)(5) of 376  
section 3317.022 of the Revised Code; 377

(f) Limited English proficiency funds under division (A)(6) 378  
of section 3317.022 of the Revised Code; 379

(g) Gifted identification and unit funds under division 380  
(A)(7) of section 3317.022 of the Revised Code; 381

(h) Capacity aid funds under division (A)(10) of section 382  
3317.022 of the Revised Code; 383

(i) Transportation funds under divisions (E) and (F) of 384  
section 3317.0212 of the Revised Code and division (D)(2) of 385

section 3314.091 of the Revised Code; 386

(j) Transportation supplement funds under division (G) of 387  
section 3317.0212 of the Revised Code; 388

(k) Temporary transitional aid under division (A) of this 389  
section; 390

(l) The cap offset amount computed under the section of ~~this~~ 391  
~~act~~ Am. Sub. H.B. 49 of the 132nd General Assembly entitled "CAP 392  
OFFSET AMOUNT FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 393  
DISTRICTS; 394

(m) The amount of the payment, if any, under division (B) of 395  
Section 2 of S.B. 8 of the 132nd General Assembly. 396

(6)(a) The "limitation base multiplier" for each city, local, 397  
and exempted village school district, for fiscal year 2018, shall 398  
be computed as follows: 399

(i) If the district's total ADM percentage change calculated 400  
in division (A)(6)(a) of this section equals an increase of five 401  
and one-half per cent or more, then the district's limitation base 402  
multiplier shall be equal to 1.055. 403

(ii) If the district's total ADM percentage change calculated 404  
in division (A)(6)(a) of this section equals an increase of less 405  
than five and one-half per cent but more than three per cent, then 406  
the district's limitation base multiplier shall be equal to the 407  
district's total ADM percentage change calculated in division 408  
(A)(6)(a) of this section plus one. 409

(iii) If the district's total ADM percentage change 410  
calculated in division (A)(6)(a) of this section equals an 411  
increase of three per cent or less, no change, or a decrease of 412  
any amount, then the district's limitation base multiplier shall 413  
be equal to 1.03. 414

(b) The "limitation base multiplier" for each city, local, 415  
and exempted village school district, for fiscal year 2019, shall 416  
be computed as follows: 417

(i) If the district's total ADM percentage change calculated 418  
in division (A)(6)(a) of this section equals an increase of six 419  
per cent or more, then the district's limitation base multiplier 420  
shall be equal to 1.06. 421

(ii) If the district's total ADM percentage change calculated 422  
in division (A)(6)(a) of this section equals an increase of less 423  
than six per cent but more than three per cent, then the 424  
district's limitation base multiplier shall be equal to the 425  
district's total ADM percentage change calculated in division 426  
(A)(6)(a) of this section plus one. 427

(iii) If the district's total ADM percentage change 428  
calculated in division (A)(6)(a) of this section equals an 429  
increase of three per cent or less, no change, or a decrease of 430  
any amount, then the district's limitation base multiplier shall 431  
be equal to 1.03. 432

(7) The Department of Education shall adjust, as necessary, 433  
the limitation base of any local school district that participates 434  
in the establishment of a joint vocational school district that 435  
begins receiving payments under section 3317.16 of the Revised 436  
Code for fiscal year 2018 or fiscal year 2019 but does not receive 437  
such payments for the prior fiscal year. The Department shall 438  
adjust any such local school district's limitation base according 439  
to the amounts received by the district in the prior fiscal year 440  
for career-technical education students who attend the newly 441  
established joint vocational school district. 442

(8) For fiscal year 2018 and fiscal year 2019, the Department 443  
shall reduce a district's payments under divisions (A)(1), (2), 444

(4), (5), (6), (7), and (10) of section 3317.022 of the Revised Code proportionately as necessary in order to comply with this division. If those amounts are insufficient, the Department shall proportionately reduce a district's payments under division (A)(3) of section 3317.022 of the Revised Code and divisions (E), (F), and (G) of section 3317.0212 of the Revised Code.

(9)(a) For purposes of division (B)(9) of this section, "eligible school district" shall have the same meaning as in division (F)(1) of section 3317.017 of the Revised Code.

(b) Notwithstanding any provision of law to the contrary, an eligible school district shall not be allocated foundation funding subject to the limitation in the current fiscal year that is greater than the greater of the amounts described in divisions (B)(9)(b)(i) and (ii) of this section:

(i) The amount calculated for the district for the current fiscal year under division (B)(1) of this section;

(ii) The lesser of the amounts described in divisions (B)(9)(b)(ii)(I) and (II) of this section:

(I) The district's foundation funding subject to the limitation for the current fiscal year;

(II) The district's limitation base for the current fiscal year plus the district's taxes charged and payable against all property on the tax list of real and public utility property for the tax year three years preceding the tax year in which the current fiscal year ends minus the district's taxes charged and payable against all property on the tax list of real and public utility property for the tax year two years preceding the tax year in which the current fiscal year ends.

(C) The Department of Education shall distribute funds within

appropriation item 200550, Foundation Funding, for temporary  
transitional career-technical education aid in each fiscal year to  
each qualifying city, local, and exempted village school district.

(1) For purposes of division (C) of this section, "total  
career-technical education funding" for each city, local, and  
exempted village school district, for a specified fiscal year,  
equals the sum of the following amounts for that fiscal year:

(a) Career-technical education funds under division (A)(8) of  
section 3317.022 of the Revised Code;

(b) Career-technical education associated services funds  
under division (A)(9) of section 3317.022 of the Revised Code.

(2) For fiscal year 2018, the Department shall pay temporary  
transitional career-technical education aid to each city, local,  
and exempted village school district according to the following  
formula:

The district's total career-technical education funding for fiscal  
year 2017 - the district's total career-technical education  
funding for fiscal year 2018

If the computation made under this division results in a  
negative number, the district's funding under division (C)(2) of  
this section shall be zero.

(3) For fiscal year 2019, the Department shall pay temporary  
transitional career-technical education aid to each city, local,  
and exempted village school district according to the following  
formula:

The district's total career-technical education funding for fiscal  
year 2017 - the district's total career-technical education  
funding for fiscal year 2019

If the computation made under this division results in a

negative number, the district's funding under division (C)(3) of 503  
this section shall be zero. 504

**Sec. 265.233.** CAP OFFSET AMOUNT FOR CITY, LOCAL, AND EXEMPTED 505  
VILLAGE SCHOOL DISTRICTS 506

(A) For purposes of this section: 507

(1) A district's "combined state aid for fiscal year 2017" 508  
means the sum of: 509

(a) The sum of the district's payments for fiscal year 2017 510  
under sections 3317.022 and 3317.0212 of the Revised Code after 511  
any amounts are added or subtracted under Section 263.230 of Am. 512  
Sub. H.B. 64 of the 131st General Assembly; 513

(b) The district's payments under division (C)(1) of section 514  
5709.92 of the Revised Code for fiscal year 2017. 515

(2) A district's "combined state aid for fiscal year 2018" 516  
means the sum of: 517

(a) The sum of the district's payments for fiscal year 2018 518  
under sections 3317.022 and 3317.0212 of the Revised Code after 519  
any amounts are added or subtracted under the section of ~~this act~~ 520  
Am. Sub. H.B. 49 of the 132nd General Assembly entitled "TEMPORARY 521  
TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 522  
DISTRICTS"; 523

(b) The district's payments under division (C)(2) of section 524  
5709.92 of the Revised Code for fiscal year 2018; 525

(c) The amount of the payment, if any, under division (B) of 526  
Section 2 of S.B. 8 of the 132nd General Assembly. 527

(3) An "eligible school district" is a city, local, or 528  
exempted village school district that meets both of the following 529

criteria: 530

(a) The sum of the amounts calculated for the school district 531  
under section 3317.022 and 3317.0212 of the Revised Code is 532  
limited by division (B)(1) of the section of this act entitled 533  
"TEMPORARY TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE 534  
SCHOOL DISTRICTS" for fiscal year 2018; 535

(b) The district's combined state aid for fiscal year 2017 536  
minus the district's combined state aid for fiscal year 2018 is 537  
greater than zero. 538

(B) For fiscal year 2018, the Department of Education shall 539  
compute and pay a cap offset amount to each eligible school 540  
district equal to the lesser of the amounts calculated in 541  
divisions (B)(1) and (2) of this section: 542

(1) The district's combined state aid for fiscal year 2017 543  
minus the district's combined state aid for fiscal year 2018; 544

(2) The absolute value of the difference between the sum of 545  
the amounts calculated under sections 3317.022 and 3317.0212 of 546  
the Revised Code for the district before and after application of 547  
the limitation under division (B)(1) of the section of ~~this act~~ 548  
Am. Sub. H.B. 49 of the 132nd General Assembly entitled "TEMPORARY 549  
TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL 550  
DISTRICTS" for fiscal year 2018." 551

In line 304, delete "7." and insert "8."; after "Sections" 552  
insert "265.220, 265.233, "; after "337.50" insert a comma 553

The motion was \_\_\_\_\_ agreed to.

#### SYNOPSIS

<b>School district TPP reimbursement payments</b>	554
<b>Section 2</b>	555
Increases the payments to be made to certain school districts	556
for their fixed-rate operating TPP tax losses in FYs 2018 and	557
2019, as follows:	558
-- For traditional school districts in FY 2018, and for joint	559
vocational school districts in FYs 2018 and 2019, if (a) the	560
amount the district will receive under current law is less than	561
(b) the amount the district received in the previous fiscal year	562
(including the TPP supplement payment for FY 2017 authorized in	563
S.B. 208 of the 131st G.A.) less 3.5% of the district's total	564
resources, then district will receive a supplemental payment equal	565
to the difference between those two amounts.	566
-- For traditional school districts in FY 2019, if the	567
district received a supplemental payment in FY 2018, current law's	568
phase-down (equal to 5/8 of one mill per dollar of the district's	569
three-year average property valuation for tax years 2014, 2015,	570
and 2016) will be subtracted from the total payment the district	571
received in FY 2018, including the supplement.	572
In FY 2020 and thereafter, payments will be based on the	573
amount a district received in the preceding fiscal year, excluding	574
any supplement, less the 5/8 mill phase-down.	575
<b>Department of Education</b>	576
<b>Sections 7 and 8 (amending Sections 265.220 and 265.233 of</b>	577
<b>Am. Sub. H.B. 49 of the 132nd General Assembly)</b>	578
For the purposes of the school funding formula, adds to a	579
city, local, or exempted village school district's limitation base	580
for FY 2019 the amount of any FY 2018 supplemental payment	581
described above.	582

(In effect, this provision counteracts lower FY 2019 state 583  
aid that would otherwise occur for some school districts due to 584  
the interaction of the school funding formula's cap offset payment 585  
and the additional TPP fixed rate operating payment amounts from 586  
limiting TPP reimbursement losses in FY 2018 to 3.5% of a 587  
district's total resources.) 588

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend sections 1  
5595.04, 5595.13, 5709.48, 5709.49, and 5709.50 and to" 2

In line 8 of the title, after the comma insert "to modify the 3  
law governing the establishment and operation of transportation 4  
financing districts," 5

In line 11, after "That" insert "sections 5595.04, 5595.13, 6  
5709.48, 5709.49, and 5709.50 be amended and" 7

Between lines 86 and 87, insert: 8

"**Sec. 5595.04.** The governing board of a regional 9  
transportation improvement project may do any of the following: 10

(A) Make and enter into all contracts and agreements 11  
necessary or incidental to the performance of its functions and 12  
the execution of its powers under this chapter and in accordance 13  
with the cooperative agreement. The procuring of goods and 14  
awarding of contracts with a cost in excess of fifty thousand 15  
dollars shall be done in accordance with the competitive bidding 16  
procedures established for boards of county commissioners by 17  
sections 307.86 to 307.91 of the Revised Code. 18

(B) Sue and be sued in its own name, plead and be impleaded, 19  
provided any actions against the governing board or the regional 20

transportation improvement project shall be brought in the court  
of common pleas of a county that is a party to the cooperative  
agreement or in the court of common pleas of the county in which  
the cause of action arose, and all summonses, exceptions, and  
notices shall be served on the governing board by leaving a copy  
thereof at its principal office with a member of the governing  
board or an employee or agent thereof;

(C) Employ or retain persons as are necessary in the judgment  
of the governing board to carry out the project, and fix their  
compensation;

(D) Acquire by purchase, lease, lease-purchase, lease with  
option to purchase, or otherwise any property necessary,  
convenient, or proper for the construction, maintenance, repair,  
or operation of one or more transportation improvements. The  
governing board may pledge net revenues, to the extent permitted  
by this chapter with respect to bonds, to secure payments to be  
paid by the governing board under such a lease, lease-purchase  
agreement, or lease with option to purchase. Title to real and  
personal property shall be held in the name of the governing  
board. The governing board is not authorized to acquire property  
by appropriation.

(E) Issue securities to pay for the costs of transportation  
improvements pursuant to section 5595.05 of the Revised Code;

(F) If the regional transportation project was undertaken  
pursuant to section 5595.02 of the Revised Code before the  
effective date of the amendment of this section by S.B. 8 of the  
132nd general assembly, create a transportation financing district  
and declare improvements to parcels within the district to be a  
public purpose and exempt from taxation as provided under sections  
5709.48 to 5709.50 of the Revised Code.

**Sec. 5595.13.** A regional transportation improvement project 51  
 and its governing board are dissolved by operation of law on the 52  
 date specified in the cooperative agreement. The governing board 53  
 shall fulfill all contractual duties assumed by the board and 54  
 repay all bonds issued by the board before that date. Upon 55  
 dissolution of the regional transportation improvement project, 56  
 the boards of county commissioners that created the regional 57  
 transportation improvement project shall assume title to all real 58  
 and personal property acquired by the board in the fulfillment of 59  
 its duties under this chapter. The property shall be divided and 60  
 distributed in accordance with the cooperative agreement. Unless 61  
 otherwise provided by contract, pledges of revenue to the 62  
 governing board from the state or a political subdivision or 63  
 taxing unit shall terminate by operation of law upon the 64  
 dissolution of the regional transportation improvement project. 65  
~~Unless~~ Except as otherwise provided in ~~the cooperative agreement~~ 66  
section 5709.50 of the Revised Code with respect to any incidental 67  
surplus in the regional transportation improvement project fund, 68  
 unencumbered funds held by the governing board on the date the 69  
 regional transportation improvement ~~district~~ project is dissolved 70  
 shall be ~~proportionally~~ distributed by the county treasurer of the 71  
most populous participating county as provided in the cooperative 72  
agreement or, if the cooperative agreement does not provide for 73  
the distribution of funds after the dissolution of the project, to 74  
 the state and ~~each~~ to political ~~subdivision~~ subdivisions and 75  
 taxing ~~unit~~ units that pledged revenue to the project in 76  
proportions deemed equitable by the county treasurer based on the 77  
ratio that the amount of funds contributed by the state, political 78  
~~subdivision, or taxing unit bears to the total amount contributed~~ 79  
~~by the state and all political subdivisions, and the taxing units~~ 80  
~~over the full duration of the project.~~ 81

**Sec. 5709.48.** (A) As used in this section, ~~"regional:~~ 82

(1) "Regional transportation improvement project" has the 83  
same meaning as in section 5595.01 of the Revised Code. 84

(2) "Improvements" means the increase in the assessed value 85  
of any real property that would first appear on the tax list and 86  
duplicate of real and public utility property after the effective 87  
date of the resolution adopted under this section were it not for 88  
the exemption granted by that resolution. 89

(B) For the purposes described in division (A) of section 90  
5595.06 of the Revised Code, the ~~boards of county commissioners of~~ 91  
~~one or more counties that are participants in governing board of a~~ 92  
regional transportation improvement project that was undertaken 93  
pursuant to section 5595.02 of the Revised Code before the 94  
effective date of the amendment of this section by S.B. 8 of the 95  
132nd general assembly may, by resolution, create a transportation 96  
financing district and declare improvements to parcels within the 97  
district to be a public purpose and exempt from taxation. 98

(C) A transportation financing district may include territory 99  
in more than one county as long as each such county is a ~~party to~~ 100  
~~the resolution creating the district and a participant in the~~ 101  
regional transportation improvement project funded by the 102  
district. A district shall not include ~~areas~~ parcels used 103  
~~exclusively~~ primarily for residential purposes. A district shall 104  
not include any parcel that is ~~or has been exempted~~ currently 105  
exempt from taxation under this section or section 5709.40, 106  
5709.41, 5709.45, 5709.73, or 5709.77 of the Revised Code. 107  
~~Counties~~ The governing board may designate parcels within the 108  
boundaries of a district that are not to be included in the 109  
district. ~~Counties~~ The governing board may designate noncontiguous 110

parcels located outside the boundaries of the district that are to 111  
be included in the district. 112

~~Counties~~ The governing board may adopt more than one 113  
 resolution under division (B) of this section. A single such 114  
 resolution may create more than one transportation financing 115  
 district. 116

(D) A resolution creating a transportation financing district 117  
 shall specify all of the following: 118

(1) A description of the territory included in the district; 119

(2) The county treasurer's permanent parcel number associated 120  
 with each parcel included in the district; 121

(3) The percentage of improvements to be exempted from 122  
 taxation and the duration of the exemption, which shall not exceed 123  
 the remaining number of years the cooperative agreement for the 124  
 regional transportation improvement district, described under 125  
 section 5595.03 of the Revised Code, is in effect; 126

(4) A plan for the district that describes the principal 127  
 purposes and goals to be served by the district and explains how 128  
 the use of service payments provided for by section 5709.49 of the 129  
 Revised Code will economically benefit owners of property within 130  
 the district. 131

(E)(1) ~~Before~~ Except as otherwise provided in divisions 132  
(E)(2) and (3) of this section, the governing board, before 133  
 adopting a resolution under division (B) of this section, ~~the~~ 134  
~~board or boards of county commissioners of the participating~~ 135  
~~counties~~ shall notify and obtain the approval of each subdivision 136  
 and taxing unit that levies a property tax within the territory of 137  
 the proposed transportation financing district. A subdivision or 138  
 taxing unit's approval or disapproval of the proposed district 139

shall be in the form of an ordinance or resolution. The governing 140  
board ~~or boards~~ may negotiate an agreement with a subdivision or 141  
taxing unit providing for compensation equal in value to a 142  
percentage of the amount of taxes exempted or some other mutually 143  
agreeable compensation. 144

(2) A subdivision or taxing unit may adopt an ordinance or 145  
resolution waiving its right to approve or receive notice of 146  
transportation financing districts proposed under this section. If 147  
a subdivision or taxing unit has adopted such an ordinance or 148  
resolution, the terms of that ordinance or resolution supersede 149  
the requirements of division (E)(1) of this section. ~~One or more~~ 150  
~~boards of county commissioners~~ The governing board may negotiate 151  
an agreement with a subdivision or taxing unit providing for some 152  
mutually agreeable compensation in exchange for the subdivision or 153  
taxing unit adopting such an ordinance or resolution. If a 154  
subdivision or taxing unit has adopted such an ordinance or 155  
resolution, it shall certify a copy to the governing board ~~of~~ 156  
~~county commissioners of the county or counties in which the~~ 157  
~~subdivision or taxing unit is located.~~ If the subdivision or 158  
taxing unit rescinds such an ordinance or resolution, it shall 159  
certify notice of the rescission to the ~~same~~ governing board ~~or~~ 160  
~~boards.~~ 161

(3) The governing board need not obtain the approval of a 162  
subdivision or taxing unit if the governing board agrees to 163  
compensate that subdivision or unit for the full amount of taxes 164  
exempted under the resolution creating the district. 165

~~(F) After notifying and obtaining the approval of each~~ 166  
~~subdivision and taxing unit that levies a property tax within the~~ 167  
~~territory of the proposed transportation financing district as~~ 168  
~~required under~~ complying with division (E) of this section, the 169  
~~boards of county commissioners of the participating counties~~ 170

governing board shall notify and obtain the approval of every real 171  
 property owner whose property is included in the proposed 172  
transportation financing district. 173

(G)(1) ~~If the~~ Upon adopting a resolution creating ~~the a~~ 174  
 transportation financing district ~~is approved by the board of~~ 175  
~~county commissioners of each county in which the district is~~ 176  
~~located, one of the counties,~~ the governing board shall send a 177  
 copy of the resolution and documentation sufficient to prove that 178  
 the requirements of divisions (E) and (F) of this section have 179  
 been met to the director of development services. The director 180  
 shall evaluate the resolution and documentation to determine if 181  
 the ~~counties have~~ governing board has fully complied with the 182  
 requirements of this section. If the director approves the 183  
 resolution, the director shall send notice of approval to ~~each~~ 184  
~~county that is a party to the resolution~~ governing board. If the 185  
 director does not approve the resolution, the director shall send 186  
 a notice of denial to ~~each county that is a party to the~~ 187  
~~resolution. The notice of denial shall include~~ the governing board 188  
that includes the reason or reasons for the denial. If the 189  
 director does not make a determination within ninety days after 190  
 receiving a resolution under this section, the director is deemed 191  
 to have approved the resolution. No resolution creating a 192  
 transportation financing district is effective without actual or 193  
 constructive approval by the director under this section. 194

(2) An exemption from taxation granted under this section 195  
 commences with the tax year specified in the resolution so long as 196  
 the year specified in the resolution commences after the effective 197  
 date of the resolution. If the resolution specifies a year 198  
 commencing before the effective date of the resolution or 199  
 specifies no year whatsoever, the exemption commences with the tax 200  
 year in which an exempted improvement first appears on the tax 201

list and that commences after the effective date of the  
resolution. ~~In lieu of stating a specific year, the resolution may  
provide that the exemption commences in the tax year in which the  
value of an improvement exceeds a specified amount or in which the  
construction of one or more improvements is completed, provided  
that such tax year commences after the effective date of the  
resolution.~~

(3) Except as otherwise provided in this division, the  
exemption ends on the date specified in the resolution as the date  
the improvement ceases to be a public purpose or the regional  
transportation improvement project funded by the service payments  
dissolves under section 5595.13 of the Revised Code, whichever  
occurs first. Exemptions shall be claimed and allowed in the same  
manner as in the case of other real property exemptions. If an  
exemption status changes during a year, the procedure for the  
apportionment of the taxes for that year is the same as in the  
case of other changes in tax exemption status during the year.

~~(H) 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 a resolution creating a transportation  
financing district under this section shall be distributed to the  
appropriate taxing authority as required under division (C) of  
section 5709.49 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~~

<del>this section:</del>	233
<del>(1) A tax levied under division (L) of section 5705.19 or</del>	234
<del>section 5705.191 of the Revised Code for community mental</del>	235
<del>retardation and developmental disabilities programs and services</del>	236
<del>pursuant to Chapter 5126. of the Revised Code;</del>	237
<del>(2) A tax levied under division (Y) of section 5705.19 of the</del>	238
<del>Revised Code for providing or maintaining senior citizens services</del>	239
<del>or facilities;</del>	240
<del>(3) A tax levied under section 5705.22 of the Revised Code</del>	241
<del>for county hospitals;</del>	242
<del>(4) A tax levied by a joint county district or by a county</del>	243
<del>under section 5705.19, 5705.191, or 5705.221 of the Revised Code</del>	244
<del>for alcohol, drug addiction, and mental health services or</del>	245
<del>facilities;</del>	246
<del>(5) A tax levied under section 5705.23 of the Revised Code</del>	247
<del>for library purposes;</del>	248
<del>(6) A tax levied under section 5705.24 of the Revised Code</del>	249
<del>for the support of children services and the placement and care of</del>	250
<del>children;</del>	251
<del>(7) A tax levied under division (Z) of section 5705.19 of the</del>	252
<del>Revised Code for the provision and maintenance of zoological park</del>	253
<del>services and facilities under section 307.76 of the Revised Code;</del>	254
<del>(8) A tax levied under section 511.27 or division (H) of</del>	255
<del>section 5705.19 of the Revised Code for the support of township</del>	256
<del>park districts;</del>	257
<del>(9) A tax levied under division (A), (F), or (H) of section</del>	258
<del>5705.19 of the Revised Code for parks and recreational purposes of</del>	259
<del>a joint recreation district organized pursuant to division (B) of</del>	260
<del>section 755.14 of the Revised Code;</del>	261

~~(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;~~ 262  
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~~(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;~~ 264  
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~~(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.~~ 268  
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~~(I) The resolution creating a transportation financing district may be amended at any time by majority vote of the boards of county commissioners of each county in which the district is located governing board and with the approval of the director of development services obtained in the same manner as approval of the original resolution.~~ 270  
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**Sec. 5709.49.** (A) ~~A county~~ The governing board of a regional transportation improvement project that has declared an improvement to be a public purpose under section 5709.48 of the Revised Code shall require the owner of any ~~structure located on the parcel located in the transportation financing district~~ to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each such payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the improvement if it were not exempt from taxation. If any reduction in the levies otherwise applicable to such exempt property is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if such reduction in levies had not been 276  
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made. 291

(B) Moneys collected as service payments in lieu of taxes 292  
from a parcel shall be distributed at the same time and in the 293  
same manner as real property tax payments. ~~However, subject to~~ 294  
~~division (C) of this section or section 5709.913 of the Revised~~ 295  
~~Code, the entire amount so collected shall be distributed to the~~ 296  
~~county in which the parcel is located.~~ If a resolution adopted 297  
under section 5709.48 of the Revised Code specifies that service 298  
payments shall be paid to another subdivision or taxing unit in 299  
which the parcel is located, the county treasurer shall distribute 300  
the portion of the service payments to that subdivision or taxing 301  
unit in an amount equal to the property tax payments the 302  
subdivision or taxing unit would have received from the portion of 303  
the parcel's improvement exempted from taxation had the 304  
improvement not been exempted, or some other amount as directed in 305  
the resolution. The treasurer shall maintain a record of the 306  
service payments in lieu of taxes made from property in each 307  
transportation financing district. 308

~~(C) If annual service payments in lieu of taxes are required~~ 309  
~~under this section, the county treasurer shall distribute to the~~ 310  
~~appropriate taxing authorities the portion of the service payments~~ 311  
~~that represent payments required under division (H) of section~~ 312  
~~5709.48 of the Revised Code.~~ 313

~~(D)~~ Nothing in this section or section 5709.48 of the Revised 314  
Code affects the taxes levied against that portion of the value of 315  
any parcel of property that is not exempt from taxation. 316

**Sec. 5709.50.** (A) ~~A county~~ The governing board of a regional 317  
transportation improvement project that grants a tax exemption 318  
under section 5709.48 of the Revised Code shall establish a 319

regional transportation improvement project fund into which shall 320  
be deposited service payments in lieu of taxes distributed to the 321  
~~county~~ under section 5709.49 of the Revised Code. Money in the 322  
regional transportation improvement project fund shall be ~~used to~~ 323  
~~compensate subdivisions and taxing units within which exempted~~ 324  
~~parcels are located pursuant to agreements entered into by the~~ 325  
~~county under division (E) of section 5709.48 of the Revised Code.~~ 326  
~~The remainder shall be dispensed to the governing board of the~~ 327  
~~regional transportation improvement project and used by the~~ 328  
governing board for the purposes described in the resolution 329  
creating the transportation financing district. Money in the 330  
regional transportation improvement project fund shall be 331  
administered by the governing board in accordance with the 332  
requirements of section 5595.08 of the Revised Code and may be 333  
invested as provided in section 5595.09 of the Revised Code. 334

(B) ~~Any incidental surplus remaining in the regional~~ 335  
~~transportation improvement project fund or an account of that fund~~ 336  
~~upon dissolution of the fund or account shall be transferred to~~ 337  
~~the general fund of the county. The regional transportation~~ 338  
improvement project fund is dissolved by operation of law upon the 339  
dissolution of the associated regional transportation improvement 340  
project under section 5595.13 of the Revised Code. Any incidental 341  
surplus remaining in the fund, to the extent unencumbered, shall 342  
be divided and distributed by the county treasurer of the most 343  
populous county in which the district is located to the general 344  
funds of the subdivisions and taxing units in which the district 345  
is located. The surplus revenue shall be divided proportionally 346  
based on the property tax levy revenue foregone by each such 347  
subdivision and taxing unit due to the exemption of improvements 348  
to property within the district at the most recent collection of 349  
service payments in lieu of taxes. The division of revenue shall 350

account for amounts returned to subdivisions and taxing units 351  
through compensation agreements entered into under division (E) of 352  
section 5709.48 of the Revised Code. The amount distributed to 353  
each subdivision or taxing unit shall be apportioned among its 354  
funds as if that amount had been levied and collected as taxes and 355  
distributed in the most recent settlement of taxes. 356

**Section 2.** That existing sections 5595.04, 5595.13, 5709.48, 358  
 5709.49, and 5709.50 of the Revised Code are hereby repealed." 359

In line 87, delete "2." and insert "3." 360

In line 94, delete "3." and insert "4." 361

In line 118, delete "4." and insert "5." 362

In line 136, delete "5." and insert "6." 363

In line 147, delete "6." and insert "7." 364

In line 304, delete "7." and insert "8." 365

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Transportation financing districts** 366

**R.C. 5595.04, 5595.13, 5709.48, 5709.49, and 5709.50** 367

Modifies a provision of H.B. 49 that authorized a new source 368  
 of funding for a Regional Transportation Improvement Project 369  
 (RTIP). H.B. 49 allowed counties participating in an RTIP to 370  
 create a transportation financing district that, similar to a tax 371  
 increment financing (TIF) incentive district, generates funding 372  
 for transportation projects by exempting improvements to 373  
 nonresidential parcels from property taxation and collecting 374

service payments equivalent to the exempted amount from the owners 375  
of those parcels. 376

Instead, the amendment would allow the governing board of the 377  
RTIP (rather than the boards of county commissioners) to create 378  
and administer the transportation financing district, but would 379  
limit the authority to RTIPs created before S.B. 8's effective 380  
date. Currently, the only RTIP in the state is a cooperative 381  
agreement between Stark, Carroll, and Columbiana Counties. 382

Creates an exception to a requirement enacted by H.B. 49 that 383  
each subdivision and taxing district within a proposed 384  
transportation financing district approve the district before it 385  
is created if the subdivision or taxing unit is fully reimbursed 386  
for all tax levy revenue foregone due to the exemption of 387  
improvements within the district and eliminates a provision 388  
enacted by H.B. 49 that reimburses subdivisions and taxing units 389  
for revenue diverted from certain special-purpose levies. 390

Requires, upon the dissolution of the RTIP, that incidental 391  
surpluses in revenue generated by the transportation financing 392  
district be distributed proportionally among the subdivisions and 393  
taxing units in which improvements were exempted based on the 394  
amount of revenue contributed by property owners in each such 395  
subdivision and taxing unit. 396

Clarifies that the division of transportation financing 397  
district funds upon the dissolution of an RTIP is handled 398  
separately from other unencumbered RTIP revenue. Other 399  
unencumbered RTIP revenue would be distributed in the manner 400  
provided in the cooperative agreement or, if the agreement does 401  
not specify the way in which the funds are to be divided, in a 402  
manner deemed equitable by the county treasurer of the most 403  
populous participating county based on the amount of revenue 404

contributed by subdivisions and taxing units within participating	405
counties.	406

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend sections 1  
307.678, 5739.09, and 5739.213 and to" 2

In line 8 of the title, after the comma insert "to modify 3  
county funding sources for a tourism development district," 4

In line 11, after "That" insert "sections 307.678, 5739.09, 5  
and 5739.213 be amended and" 6

Between lines 12 and 13, insert: 7

"**Sec. 307.678.** (A) As used in this section: 8

(1) "Bureau" means a nonprofit corporation that is organized 9  
under the laws of this state that is, or has among its functions 10  
acting as, a convention and visitors' bureau, and that currently 11  
receives revenue from existing lodging taxes. 12

(2) "Cooperating parties" means the parties to a cooperative 13  
agreement. 14

(3) "Cooperative agreement" means an agreement entered into 15  
pursuant to or as contemplated by this section. 16

(4) "Credit enhancement facilities" has the same meaning as 17  
in section 133.01 of the Revised Code. 18

(5) "Debt charges" has the same meaning as in section 133.01 19

of the Revised Code, except that "obligations" shall be 20  
substituted for "securities" wherever "securities" appears in that 21  
section. 22

(6) "Eligible county" means a county within the boundaries of 23  
which any part of a tourism development district is located. 24

(7) "Eligible transit authority" means a regional transit 25  
authority created pursuant to section 306.31 of the Revised Code 26  
or a county in which a county transit system is created pursuant 27  
to section 306.01 of the Revised Code, within the boundaries of 28  
which any part of a tourism development district is located. 29

(8) "Existing lodging taxes" means taxes levied by a board of 30  
county commissioners of an eligible county under division (A) of 31  
section 5739.09 of the Revised Code. 32

(9) "Financing costs" means all costs, fees, and expenses 33  
relating to the authorization, including any required election, 34  
issuance, sale, delivery, authentication, deposit, custody, 35  
clearing, registration, transfer, exchange, fractionalization, 36  
replacement, payment, and servicing, of obligations, including, 37  
without limitation, costs and expenses for or relating to 38  
publication and printing, postage, delivery, preliminary and final 39  
official statements, offering circulars, placement memoranda, and 40  
informational statements, travel and transportation, underwriters, 41  
placement agents, investment bankers, paying agents, registrars, 42  
authenticating agents, remarketing agents, custodians, clearing 43  
agencies, companies, or corporations, securities depositories, 44  
issuers, financial advisory services, certifications, audits, 45  
federal or state regulatory agencies, accounting and computation 46  
services, legal services and obtaining approving legal opinions 47  
and other legal opinions, credit ratings, paying redemption 48  
premiums, and credit enhancement facilities. Financing costs may 49

be paid from any money available for the purpose, including,  
unless otherwise provided in the proceedings, from the proceeds of  
the obligations to which they relate and, as to future financing  
costs, from the same sources from which debt charges on the  
obligations are paid and as though debt charges.

(10) "Host municipal corporation" means a municipal  
corporation within the boundaries of which any part of a tourism  
development district is located.

(11) "Host school district" means a school district within  
the boundaries of which any part of a tourism development district  
is located.

(12) "Incremental sales tax growth" has the same meaning as  
in section 5739.213 of the Revised Code, except that, in the case  
of an eligible county, "incremental sales tax growth" shall  
include only the amount of taxes levied under sections 5739.021  
and 5739.026 of the Revised Code credited to the county's general  
fund.

(13) "Issuer" means a port authority, a new community  
authority, or any other issuer, as defined in section 133.01 of  
the Revised Code, and any corporation.

(14) "Maintenance and repair costs" means costs and expenses  
incurred by a cooperating party from the party's own revenues for  
maintaining or repairing a project.

(15) "Net lodging tax proceeds" means the proceeds of an  
existing lodging tax that remain after deduction by an eligible  
county of the real and actual costs of administering the tax and  
any portion of such proceeds required to be returned to a  
municipal corporation or township under division (A)(1) of section  
5739.09 of the Revised Code.

(16) "Net tourism development district revenues" means the 79  
tourism development district revenues remaining after deduction by 80  
the host municipal corporation of an amount, not to exceed one 81  
~~percent~~ per cent of any admissions tax revenues, prescribed in any 82  
legislation by which, or agreement pursuant to which, tourism 83  
development district revenues are pledged, or agreed to be pledged 84  
or contributed, by an eligible county, an eligible transit 85  
authority, or a host municipal corporation, or any combination 86  
thereof, in accordance with division (B), (E), (F), or (G) of this 87  
section. 88

(17) "New community authority" means a new community 89  
authority established under section 349.03 of the Revised Code by 90  
an organizational board of commissioners that is or includes the 91  
board of county commissioners of an eligible county or the 92  
legislative authority of a host municipal corporation. 93

(18) "Obligations" means obligations issued or incurred by an 94  
issuer pursuant to Chapter 133., 349., or 4582. of the Revised 95  
Code, or otherwise, for the purpose of funding or paying, or 96  
reimbursing persons for the funding or payment of, project costs, 97  
and that evidence the issuer's obligation to repay borrowed money, 98  
including interest thereon, or to pay other money obligations of 99  
the issuer at any future time, including, without limitation, 100  
bonds, notes, anticipatory securities as defined in section 133.01 101  
of the Revised Code, certificates of indebtedness, commercial 102  
paper, or installment sale, lease, lease-purchase, or similar 103  
agreements. "Obligations" does not include credit enhancement 104  
facilities. 105

(19) "Person" includes an individual, corporation, limited 106  
liability company, business trust, estate, trust, partnership, 107  
association, eligible county, eligible transit authority, host 108

municipal corporation, port authority, new community authority, 109  
and any other political subdivision of the state. 110

(20) "Port authority" means a port authority created under 111  
Chapter 4582. of the Revised Code. 112

(21) "Project" means acquiring, constructing, reconstructing, 113  
rehabilitating, remodeling, renovating, enlarging, equipping, 114  
furnishing, or otherwise improving a tourism facility or any 115  
component or element thereof. 116

(22) "Project cost" means the cost of acquiring, 117  
constructing, reconstructing, rehabilitating, remodeling, 118  
renovating, enlarging, equipping, financing, refinancing, 119  
furnishing, or otherwise improving a project, including, without 120  
limitation, financing costs; the cost of architectural, 121  
engineering, and other professional services, designs, plans, 122  
specifications, surveys, and estimates of costs; financing or 123  
refinancing obligations issued by, or reimbursing money advanced 124  
by, any cooperating party or any other person, where the proceeds 125  
of the obligations or money advanced was used to pay any other 126  
cost described in this division; inspections and testing; any 127  
indemnity or surety bond or premium related to insurance 128  
pertaining to development of the project; all related direct and 129  
indirect administrative costs and costs of placing a project in 130  
service; fees and expenses of trustees, escrow agents, 131  
depositories, and paying agents for any obligations; interest on 132  
obligations during the planning, design, and development of a 133  
project and for up to eighteen months thereafter; funding and 134  
replenishing reserves for the payment of debt charges on any 135  
obligations; all other expenses necessary or incident to planning, 136  
or determining the feasibility or practicability of, a project, 137  
including, without limitation, advocating the enactment of 138

legislation to facilitate the development and financing of a  
project; and any other costs of a project that are authorized to  
be financed by the issuer of obligations at the time the  
obligations are issued.

(23) "Taxing authority" means the board of county  
commissioners of an eligible county, the legislative authority, as  
that term is defined in section 5739.01 of the Revised Code, of an  
eligible transit authority, or the legislative authority of a host  
municipal corporation.

(24) "Tourism development district" means an area designated  
by a host municipal corporation under section 715.014 of the  
Revised Code.

(25) "Tourism development district revenues" means money  
received or receivable by a host municipal corporation from  
incremental sales tax growth pursuant to section 5739.213 of the  
Revised Code, from a tax levied by the host municipal corporation  
pursuant to division (C) of section 5739.101 of the Revised Code,  
from a tax levied by the host municipal corporation pursuant to  
section 5739.08 or 5739.09 of the Revised Code on the provision of  
lodging by hotels located in the tourism development district,  
from a tax levied by the host municipal corporation with respect  
to admission to any tourism facility or parking or any other  
activity occurring at any location in the tourism development  
district, or from any tax levied by an eligible county, eligible  
transit authority, or host municipal corporation, except for a tax  
on property levied by an eligible county, with respect to  
activities occurring, or property located, in the tourism  
development district, if and to the extent that revenue from any  
such tax is authorized to be used, or is not prohibited by law  
from being used, to foster and develop tourism in the tourism

development district and is authorized, contracted, pledged or 169  
assigned by the respective taxing authority to be used to fund or 170  
pay, or to reimburse other persons for funding or payment of, 171  
project costs or maintenance and repair costs. 172

(26) "Tourism facility" means any permanent improvement, as 173  
defined in section 133.01 of the Revised Code, located in a 174  
tourism development district. 175

(B) The board of county commissioners of an eligible county, 176  
an eligible transit authority, a host municipal corporation, the 177  
board of education of a host school district, a port authority, a 178  
bureau, a new community authority, and any other person, or any 179  
combination thereof, may enter into a cooperative agreement for 180  
any purpose authorized under this section and under which any of 181  
the following apply: 182

(1) The board of county commissioners of the eligible county 183  
and the bureau agree to make available to a cooperating party or 184  
any other person net lodging tax proceeds, not to exceed five 185  
hundred thousand dollars each year, to fund or pay, or to 186  
reimburse other persons for funding or payment of, project costs 187  
or debt charges on obligations. 188

(2) The board of county commissioners of the eligible county 189  
agrees, for the purpose of funding or paying or supporting, or for 190  
reimbursing other persons for funding or payment of, project 191  
costs, including debt charges on obligations, may do either of the 192  
following: 193

(a) Make available to a cooperating party or other person an 194  
amount equal to incremental sales tax growth or all or a portion 195  
of the county's tourism development district revenues; 196

(b) Provide, from receipts of a tax levied by the county 197  
under division (A)(11) of section 5739.09 of the Revised Code, 198

credit enhancement facilities in connection with the funding or 199  
payment of project costs, including debt charges on obligations, 200  
or any portion or combination thereof. 201

(3) The taxing authority of an eligible transit authority 202  
agrees to make available to a cooperating party or any other 203  
person an amount equal to incremental sales tax growth or all or a 204  
portion of the transit authority's tourism development district 205  
revenues. 206

(4) The host municipal corporation agrees to make available 207  
credit enhancement facilities or net tourism development district 208  
revenues, or any portion or combination thereof, to fund, pay, or 209  
support, or to reimburse other persons for funding or payment of, 210  
project costs, including debt charges on obligations, or 211  
maintenance and repair costs, or both. Any agreement to use net 212  
tourism development district revenues to pay or reimburse other 213  
persons for payment of maintenance and repair costs shall be 214  
subject to authorization by any cooperating party providing such 215  
funding to the host municipal corporation and to annual 216  
appropriation for such purpose by the legislative authority of the 217  
host municipal corporation and shall be subordinate to any 218  
covenant made to or by an issuer in connection with the issuance 219  
of obligations or credit enhancement facilities to pay project 220  
costs. 221

(5) The cooperating parties agree, subject to any conditions 222  
or limitations provided in the cooperative agreement, to any of 223  
the following: 224

(a) The conveyance, grant, or transfer to a cooperating party 225  
or any other person of ownership of, property interests in, and 226  
rights to use real or personal property to create a tourism 227  
facility or with respect to a tourism facility as the facility 228

exists at the time of the agreement or as it may be improved by a project; 229  
230

(b) The respective responsibilities of each cooperating party 231  
for the management, operation, maintenance, repair, and 232  
replacement of a tourism facility, including any project 233  
undertaken with respect to the facility, which may include 234  
authorization for a cooperating party to contract with any other 235  
person for any such purpose; 236

(c) The respective responsibilities of each cooperating party 237  
for the development and financing of a project, including, without 238  
limitation, the cooperating party or parties that shall be 239  
responsible for contracting for the development of a project and 240  
administering contracts entered into by the party or parties for 241  
that purpose; 242

(d) The respective responsibilities of each cooperating party 243  
to provide money, credit enhancement facilities, or both, whether 244  
by issuing obligations or otherwise, for the funding, payment, 245  
financing, or refinancing, or reimbursement to a cooperating party 246  
or other person for the funding, payment, financing, or 247  
refinancing, of project costs; 248

(e) The respective responsibilities of each cooperating party 249  
to provide money, credit enhancement facilities, or other security 250  
for the payment of debt charges on obligations or to fund or 251  
replenish reserves or otherwise provide for the payment of 252  
maintenance and repair costs. 253

(C) Any conveyance, grant, or transfer of ownership of, 254  
property interests in, or rights to use a tourism development 255  
facility or project, including any project undertaken with respect 256  
to an existing tourism facility, that is contemplated by a 257  
cooperative agreement may be made or entered into by a cooperating 258

party, in such manner and upon such terms as the cooperating  
parties may agree, without regard to ownership of the tourism  
facility or project, notwithstanding any other provision of law  
that may otherwise apply, including, without limitation, any  
requirement for notice, competitive bidding or selection, or the  
provision of security.

(D) ~~Regardless of whether a cooperative agreement has been  
executed and delivered, the~~ The board of county commissioners may  
amend any previously adopted resolution providing for the levy of  
an existing lodging tax to permit the use of any portion of the  
net lodging tax proceeds from such tax as provided in this  
section, ~~and a~~ if and to the extent such use is not inconsistent  
with a cooperative agreement. A host municipal corporation may  
amend any previously passed ordinance providing for the levy of  
lodging taxes under section 5739.08 or 5739.09 of the Revised Code  
to permit the use of any portion of such lodging taxes as provided  
in this section.

(E)(1) Notwithstanding any other provision of law:

(a) The board of county commissioners of an eligible county  
may provide, from receipts of a tax levied by the county under  
division (A)(11) of section 5739.09 of the Revised Code, credit  
enhancement facilities in connection with any project, including,  
without limitation, for the provision of any infrastructure  
necessary to support a tourism facility.

(b) The board of county commissioners of an eligible county  
and a bureau may agree to make available to any person, on such  
terms and conditions as the board and the bureau may determine and  
agree, net lodging tax proceeds.

(c) The board of county commissioners of an eligible county  
may agree to make available to any person, on such terms and

conditions as the board may determine and agree, incremental sales 289  
tax growth and all or a portion of the county's tourism 290  
development district revenues. 291

(2) Any amount made available under division (E)(1)(b) or (c) 292  
of this section shall be used to fund or pay, or to reimburse 293  
other persons for funding or payment of, project costs, including, 294  
without limitation, the payment of debt charges on obligations, 295  
the provision of credit enhancement facilities and the funding, 296  
and funding and replenishing reserves for that purpose or, subject 297  
to annual appropriation, to pay, or reimburse other persons for 298  
payment of, repair and maintenance costs. 299

(3) The board of county commissioners, the bureau, or both, 300  
may pledge net lodging tax proceeds, and the board of county 301  
commissioners may pledge incremental sales tax growth and any 302  
tourism development district revenues, or any part or portion or 303  
combination thereof, to the payment of debt charges on obligations 304  
and the funding, or to fund or replenish reserves for that 305  
purpose; provided that, the total amount of net lodging tax 306  
proceeds made available for such use each year shall not exceed 307  
five hundred thousand dollars. 308

The lien of any such pledge shall be effective against all 309  
persons when it is made, without the requirement for the filing of 310  
any notice, and any such net lodging tax proceeds, incremental 311  
sales tax growth, and tourism development district revenues, or 312  
any part or portion or combination thereof, so pledged and 313  
required to pay debt charges on obligations, to provide any credit 314  
enhancement facilities or to fund, or to fund or replenish 315  
reserves, or any combination thereof, shall be paid by the county 316  
or bureau at the times, in the amounts, and to such payee, 317  
including, without limitation, a corporate trustee or paying 318

agent, to which the board of county commissioners and bureau agree 319  
with respect to net lodging tax proceeds and to which the board of 320  
county commissioners agree with respect to incremental sales tax 321  
growth or tourism development district revenues. 322

(F) Notwithstanding any other provision of law, a host 323  
municipal corporation may agree to make available to any person, 324  
on such terms and conditions to which it may determine and agree, 325  
and any person may use, net tourism development district revenues, 326  
or any part or portion thereof, to fund or pay, or to reimburse 327  
other persons for funding or payment of, project costs, including, 328  
without limitation, the payment of debt charges on obligations and 329  
the funding, and funding and replenishing reserves for that 330  
purpose, or, subject to annual appropriation, to pay, or to 331  
reimburse other persons for payment of maintenance and repair 332  
costs, and the host municipal corporation may pledge net tourism 333  
development district revenues, or any part or portion thereof, to 334  
the payment of debt charges on obligations and to fund and 335  
replenish reserves for that purpose and may provide credit 336  
enhancement facilities. The lien of any such pledge shall be 337  
effective against all persons when it is made, without the 338  
requirement for the filing of any notice, and any net tourism 339  
development district revenues so pledged and required to pay debt 340  
charges on obligations or to fund and replenish reserves shall be 341  
paid by the host municipal corporation at the times, in the 342  
amounts, and to such payee, including, without limitation, a 343  
corporate trustee or paying agent, to which the host municipal 344  
corporation agrees. 345

(G) Notwithstanding any other provision of law, an eligible 346  
transit authority may agree to make available, on such terms and 347  
conditions to which it may determine and agree, to any person, and 348  
any person may use, incremental sales tax growth and tourism 349

development district revenues, or any part or portion or  
combination thereof, to fund or pay, or to reimburse other persons  
for funding or payment of, project costs, including, without  
limitation, the payment of debt charges on obligations and the  
funding and replenishing of reserves for that purpose, or, subject  
to annual appropriation, to pay, or to reimburse any other person  
for payment of, maintenance and repair costs, and the eligible  
transit authority may pledge incremental sales tax growth and  
tourism development district revenues, or any part or portion or  
combination thereof, to the payment of debt charges on obligations  
and the funding and replenishing of reserves for that purpose. The  
lien of any such pledge shall be effective against all persons  
when it is made, without the requirement for the filing of any  
notice, and any incremental sales tax growth and tourism  
development district revenues, or any part or portion or  
combination thereof, so pledged and required to pay debt charges  
on obligations or to fund and replenish reserves shall be paid by  
the eligible transit authority at the times, in the amounts, and  
to such payee, including, without limitation, a corporate trustee  
or paying agent, to which the eligible transit authority agrees.

(H) Except as provided herein with respect to agreements for  
the payment or reimbursement of maintenance and repair costs, if  
the term of an agreement made pursuant to division (B), (E), (F),  
or (G) of this section extends beyond the end of the fiscal year  
of the eligible county, eligible transit authority, or host  
municipal corporation in which it is made, the agreement shall be  
subject to section 5705.44 of the Revised Code, and subject to the  
certification required by that section, the amount due under any  
such agreement in each succeeding fiscal year shall be included in  
the annual appropriation measure of the eligible county, eligible  
transit authority, or host municipal corporation for each such

fiscal year as a fixed charge. The obligation of an eligible county, eligible transit authority, or host municipal corporation, and of each official thereof, to include the amount required to be paid in any such fiscal year in its annual appropriation measure as a fixed charge and to make such payments from and to the extent of the amounts so pledged, or agreed to be contributed or pledged, shall be a duty specially enjoined by law and resulting from an office, trust, or station under section 2731.01 of the Revised Code, enforceable by writ of mandamus.

(I)(1) Each tourism facility and project constitutes a "port authority facility" within the meaning of division (D) of section 4582.01 and division (E) of section 4582.21 of the Revised Code, and a port authority may issue obligations under Chapter 4582. of the Revised Code, subject only to the procedures and requirements applicable to its issuance of revenue bonds as provided in division (A)(4) of section 4582.06 of the Revised Code or of port authority revenue bonds as provided in division (A)(8) of section 4582.31 of the Revised Code. For the purpose of issuing any such obligations, any net lodging tax proceeds, net tourism development district revenues, amounts provided pursuant to any credit enhancement facilities, and revenue from any other tax pledged, assigned, or otherwise obligated to be contributed to the payment of the obligations shall be treated as revenues of the port authority for the purposes of division (A)(4) of section 4582.06 of the Revised Code and revenues, as defined in section 4582.21 of the Revised Code. Any obligations issued under division (I)(1) of this section shall be considered revenue bonds issued under division (A)(4) of section 4582.06 of the Revised Code or port authority revenue bonds issued under division (A)(8) of section 4582.31 and section 4582.48 of the Revised Code for all purposes. In addition to all other powers available to a port authority

under this section or under Chapter 4582. of the Revised Code with  
respect to the issuance of or provision for the security for  
payment of debt charges on obligations, and with respect to any  
tourism facility or project, the port authority may take any of  
the actions contemplated by Chapter 4582. of the Revised Code,  
including, without limitation, any actions contemplated by section  
4582.06, 4582.31, or 4582.47 of the Revised Code. Obligations  
issued by a port authority pursuant to division (I)(1) of this  
section shall be special obligations of the port authority and do  
not constitute bonded indebtedness, a general obligation, debt, or  
a pledge of the full faith and credit of the state, the port  
authority, or any other political subdivision of the state.

(2) Each tourism facility and project constitutes "community  
facilities" within the meaning of division (I) of section 349.01  
of the Revised Code, and a new community authority may issue  
obligations pursuant to Chapter 349. of the Revised Code subject  
only to the procedures and requirements applicable to its issuance  
of bonds or notes as used in and pursuant to section 349.08 of the  
Revised Code. For the purpose of issuing any such obligations, net  
lodging tax proceeds, net tourism development district revenues,  
and revenue from any other tax pledged, assigned, or otherwise  
obligated to be contributed to the payment of the obligations  
shall be treated as an income source, as defined in section 349.01  
of the Revised Code. Any obligations issued under division (I)(2)  
of this section shall be considered bonds issued under section  
349.08 of the Revised Code. In addition to all other powers  
available to a new community authority under division (I)(2) of  
this section or under Chapter 349. of the Revised Code with  
respect to the issuance of or provision for the security for  
payment of debt charges on obligations, and with respect to any  
tourism facility or project, the new community authority may take

any of the actions contemplated by Chapter 349. of the Revised 443  
Code. Obligations issued by a new community authority pursuant to 444  
division (I)(2) of this section shall be special obligations of 445  
the new community authority and do not constitute bonded 446  
indebtedness, a general obligation, debt, or a pledge of the full 447  
faith and credit of the state, the new community authority, or any 448  
other political subdivision of the state. 449

(J) Each project for which funding or payment of project 450  
costs is provided, in whole or in part, by the issuance of 451  
obligations secured by a pledge of net lodging tax proceeds or net 452  
tourism development district revenues, or both, and any agreement 453  
to provide credit enhancement facilities or to fund or pay, and 454  
the funding or payment of, such project costs and any maintenance 455  
and repair costs of the project from net lodging taxes and net 456  
tourism development district revenues, are hereby determined, 457  
regardless of the ownership, leasing, or use of the project by any 458  
person, to constitute implementing and participating in the 459  
development of sites and facilities within the meaning of Section 460  
2p of Article VIII, Ohio Constitution, including division (D)(3) 461  
of that section, and any such obligations are hereby determined to 462  
be issued, and any such credit enhancement facilities and 463  
agreements to fund or pay, and funding and payment of, project 464  
costs and any maintenance and repair costs of the project, are 465  
determined to be made, under authority of Section 2p of Article 466  
VIII, Ohio Constitution, for and in furtherance of site and 467  
facility development purposes within the meaning of division (E) 468  
of that section, pursuant to provision made by law for the 469  
procedure for incurring and issuing obligations, separately or in 470  
combination with other obligations, and refunding, retiring, and 471  
evidencing obligations, and pursuant to division (F) of Section 2p 472  
of Article VIII, Ohio Constitution, such that provision for the 473

payment of debt charges on the obligations, credit enhancement 474  
facilities, or both, the purposes and uses to which and the manner 475  
in which the proceeds of those obligations or credit enhancement 476  
facilities or money from other sources are to be or may be 477  
applied, and other implementation of those development purposes as 478  
referred to in this section, including the manner determined by an 479  
issuer to participate for those purposes, are not subject to 480  
Sections 4 and 6 of Article VIII, Ohio Constitution. 481

No obligations may be issued under this section to fund or 482  
pay maintenance and repair costs. 483

(K) No obligations may be issued under this section unless 484  
the issuer's fiscal officer determines that the net lodging tax 485  
proceeds, net tourism development district revenues, or both, 486  
pledged, assigned, or otherwise obligated to be contributed to the 487  
payment of debt charges on such obligations and all other 488  
obligations issued, outstanding and payable therefrom, are 489  
expected to be sufficient to pay all debt charges on all such 490  
obligations except to any extent that such debt charges are to be 491  
paid from proceeds of obligations or refunding obligations 492  
deposited or to be deposited into a pledged fund or account, 493  
including any reserve fund or account, or investment earnings 494  
thereon. 495

(L)(1) A board of county commissioners shall not repeal, 496  
rescind, or reduce the levy of an existing lodging tax or the 497  
source of any other revenue to the extent revenue from that tax or 498  
source is pledged to the payment of debt charges on obligations, 499  
and any such lodging tax or other revenue source shall not be 500  
subject to repeal, rescission, or reduction by initiative, 501  
referendum, or subsequent enactment of legislation by the general 502  
assembly, so long as there remain outstanding any obligations as 503

to which the payment of debt charges is secured by a pledge of the  
existing lodging tax or other revenue source.

(2) The legislative authority of a host municipal corporation  
shall not repeal, rescind, or reduce the levy of any tax the  
proceeds of which constitute tourism development district revenues  
if its proceeds are pledged to the payment of debt charges on  
obligations, and any such tax shall not be subject to repeal,  
rescission, or reduction by initiative, referendum, or subsequent  
enactment of legislation by the general assembly, so long as there  
remain outstanding any obligations as to which the payment of debt  
charges is secured by a pledge of those net tourism development  
district revenues.

(3) A transit authority shall not repeal, rescind, or reduce  
the levy of any tax the proceeds of which are pledged to the  
payment of debt charges on obligations, and any such tax shall not  
be subject to repeal, rescission, or reduction by initiative,  
referendum, or subsequent enactment of legislation by the general  
assembly, so long as there remain outstanding any obligations as  
to which the payment of debt charges is secured by the pledge of  
such tax proceeds.

(M) A pledge, assignment, or other agreement to contribute  
net lodging tax proceeds or other revenues or credit enhancement  
facilities made by an eligible county under division (B) or (E) of  
this section; a pledge, assignment, or other agreement to  
contribute net tourism development district revenues or credit  
enhancement facilities made by a host municipality under division  
(B) or (F) of this section; and a pledge, assignment, or other  
agreement made by an eligible county or eligible transit authority  
or agreement to contribute revenue from taxes that constitute  
tourism development district revenues under division (B), (E), or

(G) of this section, do not constitute bonded indebtedness, or  
indebtedness for the purposes of Chapter 133. of the Revised Code,  
of an eligible county, eligible transit authority, or host  
municipal corporation.

(N) The authority provided by this section is supplemental  
to, and is not intended to limit in any way, any legal authority  
that a cooperating party or any other person may have under any  
other provision of law."

Between lines 86 and 87, insert:

"**Sec. 5739.09.** (A)(1) A board of county commissioners may, by  
resolution adopted by a majority of the members of the board, levy  
an excise tax not to exceed three per cent on transactions by  
which lodging by a hotel is or is to be furnished to transient  
guests. The board shall establish all regulations necessary to  
provide for the administration and allocation of the tax. The  
regulations may prescribe the time for payment of the tax, and may  
provide for the imposition of a penalty or interest, or both, for  
late payments, provided that the penalty does not exceed ten per  
cent of the amount of tax due, and the rate at which interest  
accrues does not exceed the rate per annum prescribed pursuant to  
section 5703.47 of the Revised Code. Except as provided in  
divisions (A)(2), (3), (4), (5), (6), (7), (8), (9), (10), (11),  
and (12) of this section, the regulations shall provide, after  
deducting the real and actual costs of administering the tax, for  
the return to each municipal corporation or township that does not  
levy an excise tax on the transactions, a uniform percentage of  
the tax collected in the municipal corporation or in the  
unincorporated portion of the township from each transaction, not  
to exceed thirty-three and one-third per cent. The remainder of  
the revenue arising from the tax shall be deposited in a separate

fund and shall be spent solely to make contributions to the 564  
convention and visitors' bureau operating within the county, 565  
including a pledge and contribution of any portion of the 566  
remainder pursuant to an agreement authorized by section 307.678 567  
or 307.695 of the Revised Code, provided that if the board of 568  
county commissioners of an eligible county as defined in section 569  
307.678 or 307.695 of the Revised Code adopts a resolution 570  
amending a resolution levying a tax under this division to provide 571  
that revenue from the tax shall be used by the board as described 572  
in either division (D) of section 307.678 or division (H) of 573  
section 307.695 of the Revised Code, the remainder of the revenue 574  
shall be used as described in the resolution making that 575  
amendment. Except as provided in division (A)(2), (3), (4), (5), 576  
(6), (7), (8), (9), (10), or (11) or (H) of this section, on and 577  
after May 10, 1994, a board of county commissioners may not levy 578  
an excise tax pursuant to this division in any municipal 579  
corporation or township located wholly or partly within the county 580  
that has in effect an ordinance or resolution levying an excise 581  
tax pursuant to division (B) of this section. The board of a 582  
county that has levied a tax under division (C) of this section 583  
may, by resolution adopted within ninety days after July 15, 1985, 584  
by a majority of the members of the board, amend the resolution 585  
levying a tax under this division to provide for a portion of that 586  
tax to be pledged and contributed in accordance with an agreement 587  
entered into under section 307.695 of the Revised Code. A tax, any 588  
revenue from which is pledged pursuant to such an agreement, shall 589  
remain in effect at the rate at which it is imposed for the 590  
duration of the period for which the revenue from the tax has been 591  
so pledged. 592

The board of county commissioners of an eligible county as 593  
defined in section 307.695 of the Revised Code may, by resolution 594

adopted by a majority of the members of the board, amend a  
resolution levying a tax under this division to provide that the  
revenue from the tax shall be used by the board as described in  
division (H) of section 307.695 of the Revised Code, in which case  
the tax shall remain in effect at the rate at which it was imposed  
for the duration of any agreement entered into by the board under  
section 307.695 of the Revised Code, the duration during which any  
securities issued by the board under that section are outstanding,  
or the duration of the period during which the board owns a  
project as defined in section 307.695 of the Revised Code,  
whichever duration is longest.

The board of county commissioners of an eligible county as  
defined in section 307.678 of the Revised Code may, by resolution,  
amend a resolution levying a tax under this division to provide  
that revenue from the tax, not to exceed five hundred thousand  
dollars each year, may be used as described in division (E) of  
section 307.678 of the Revised Code.

Notwithstanding division (A)(1) of this section, the board of  
county commissioners of a county described in division (A)(8)(a)  
of this section may, by resolution, amend a resolution levying a  
tax under this division to provide that all or a portion of the  
revenue from the tax, including any revenue otherwise required to  
be returned to townships or municipal corporations under this  
division, may be used or pledged for the payment of debt service  
on securities issued to pay the costs of constructing, operating,  
and maintaining sports facilities described in division (A)(8)(b)  
of this section.

The board of county commissioners of a county described in  
division (A)(9) of this section may, by resolution, amend a  
resolution levying a tax under this division to provide that all

or a portion of the revenue from the tax may be used for the  
purposes described in section 307.679 of the Revised Code.

(2) A board of county commissioners that levies an excise tax  
under division (A)(1) of this section on June 30, 1997, at a rate  
of three per cent, and that has pledged revenue from the tax to an  
agreement entered into under section 307.695 of the Revised Code  
or, in the case of the board of county commissioners of an  
eligible county as defined in section 307.695 of the Revised Code,  
has amended a resolution levying a tax under division (C) of this  
section to provide that proceeds from the tax shall be used by the  
board as described in division (H) of section 307.695 of the  
Revised Code, may, at any time by a resolution adopted by a  
majority of the members of the board, amend the resolution levying  
a tax under division (A)(1) of this section to provide for an  
increase in the rate of that tax up to seven per cent on each  
transaction; to provide that revenue from the increase in the rate  
shall be used as described in division (H) of section 307.695 of  
the Revised Code or be spent solely to make contributions to the  
convention and visitors' bureau operating within the county to be  
used specifically for promotion, advertising, and marketing of the  
region in which the county is located; and to provide that the  
rate in excess of the three per cent levied under division (A)(1)  
of this section shall remain in effect at the rate at which it is  
imposed for the duration of the period during which any agreement  
is in effect that was entered into under section 307.695 of the  
Revised Code by the board of county commissioners levying a tax  
under division (A)(1) of this section, the duration of the period  
during which any securities issued by the board under division (I)  
of section 307.695 of the Revised Code are outstanding, or the  
duration of the period during which the board owns a project as  
defined in section 307.695 of the Revised Code, whichever duration

is longest. The amendment also shall provide that no portion of  
that revenue need be returned to townships or municipal  
corporations as would otherwise be required under division (A)(1)  
of this section.

(3) A board of county commissioners that levies a tax under  
division (A)(1) of this section on March 18, 1999, at a rate of  
three per cent may, by resolution adopted not later than  
forty-five days after March 18, 1999, amend the resolution levying  
the tax to provide for all of the following:

(a) That the rate of the tax shall be increased by not more  
than an additional four per cent on each transaction;

(b) That all of the revenue from the increase in the rate  
shall be pledged and contributed to a convention facilities  
authority established by the board of county commissioners under  
Chapter 351. of the Revised Code on or before November 15, 1998,  
and used to pay costs of constructing, maintaining, operating, and  
promoting a facility in the county, including paying bonds, or  
notes issued in anticipation of bonds, as provided by that  
chapter;

(c) That no portion of the revenue arising from the increase  
in rate need be returned to municipal corporations or townships as  
otherwise required under division (A)(1) of this section;

(d) That the increase in rate shall not be subject to  
diminution by initiative or referendum or by law while any bonds,  
or notes in anticipation of bonds, issued by the authority under  
Chapter 351. of the Revised Code to which the revenue is pledged,  
remain outstanding in accordance with their terms, unless  
provision is made by law or by the board of county commissioners  
for an adequate substitute therefor that is satisfactory to the  
trustee if a trust agreement secures the bonds.

Division (A)(3) of this section does not apply to the board  
of county commissioners of any county in which a convention center  
or facility exists or is being constructed on November 15, 1998,  
or of any county in which a convention facilities authority levies  
a tax pursuant to section 351.021 of the Revised Code on that  
date.

As used in division (A)(3) of this section, "cost" and  
"facility" have the same meanings as in section 351.01 of the  
Revised Code, and "convention center" has the same meaning as in  
section 307.695 of the Revised Code.

(4)(a) A board of county commissioners that levies a tax  
under division (A)(1) of this section on June 30, 2002, at a rate  
of three per cent may, by resolution adopted not later than  
September 30, 2002, amend the resolution levying the tax to  
provide for all of the following:

(i) That the rate of the tax shall be increased by not more  
than an additional three and one-half per cent on each  
transaction;

(ii) That all of the revenue from the increase in rate shall  
be pledged and contributed to a convention facilities authority  
established by the board of county commissioners under Chapter  
351. of the Revised Code on or before May 15, 2002, and be used to  
pay costs of constructing, expanding, maintaining, operating, or  
promoting a convention center in the county, including paying  
bonds, or notes issued in anticipation of bonds, as provided by  
that chapter;

(iii) That no portion of the revenue arising from the  
increase in rate need be returned to municipal corporations or  
townships as otherwise required under division (A)(1) of this  
section;

(iv) That the increase in rate shall not be subject to 716  
diminution by initiative or referendum or by law while any bonds, 717  
or notes in anticipation of bonds, issued by the authority under 718  
Chapter 351. of the Revised Code to which the revenue is pledged, 719  
remain outstanding in accordance with their terms, unless 720  
provision is made by law or by the board of county commissioners 721  
for an adequate substitute therefor that is satisfactory to the 722  
trustee if a trust agreement secures the bonds. 723

(b) Any board of county commissioners that, pursuant to 724  
division (A)(4)(a) of this section, has amended a resolution 725  
levying the tax authorized by division (A)(1) of this section may 726  
further amend the resolution to provide that the revenue referred 727  
to in division (A)(4)(a)(ii) of this section shall be pledged and 728  
contributed both to a convention facilities authority to pay the 729  
costs of constructing, expanding, maintaining, or operating one or 730  
more convention centers in the county, including paying bonds, or 731  
notes issued in anticipation of bonds, as provided in Chapter 351. 732  
of the Revised Code, and to a convention and visitors' bureau to 733  
pay the costs of promoting one or more convention centers in the 734  
county. 735

As used in division (A)(4) of this section, "cost" has the 736  
same meaning as in section 351.01 of the Revised Code, and 737  
"convention center" has the same meaning as in section 307.695 of 738  
the Revised Code. 739

(5)(a) As used in division (A)(5) of this section: 740

(i) "Port authority" means a port authority created under 741  
Chapter 4582. of the Revised Code. 742

(ii) "Port authority military-use facility" means port 743  
authority facilities on which or adjacent to which is located an 744  
installation of the armed forces of the United States, a reserve 745

component thereof, or the national guard and at least part of  
which is made available for use, for consideration, by the armed  
forces of the United States, a reserve component thereof, or the  
national guard.

(b) For the purpose of contributing revenue to pay operating  
expenses of a port authority that operates a port authority  
military-use facility, the board of county commissioners of a  
county that created, participated in the creation of, or has  
joined such a port authority may do one or both of the following:

(i) Amend a resolution previously adopted under division  
(A)(1) of this section to designate some or all of the revenue  
from the tax levied under the resolution to be used for that  
purpose, notwithstanding that division;

(ii) Amend a resolution previously adopted under division  
(A)(1) of this section to increase the rate of the tax by not more  
than an additional two per cent and use the revenue from the  
increase exclusively for that purpose.

(c) If a board of county commissioners amends a resolution to  
increase the rate of a tax as authorized in division (A)(5)(b)(ii)  
of this section, the board also may amend the resolution to  
specify that the increase in rate of the tax does not apply to  
"hotels," as otherwise defined in section 5739.01 of the Revised  
Code, having fewer rooms used for the accommodation of guests than  
a number of rooms specified by the board.

(6) A board of county commissioners of a county organized  
under a county charter adopted pursuant to Article X, Section 3,  
Ohio Constitution, and that levies an excise tax under division  
(A)(1) of this section at a rate of three per cent and levies an  
additional excise tax under division (E) of this section at a rate  
of one and one-half per cent may, by resolution adopted not later

than January 1, 2008, by a majority of the members of the board, 776  
amend the resolution levying a tax under division (A)(1) of this 777  
section to provide for an increase in the rate of that tax by not 778  
more than an additional one per cent on transactions by which 779  
lodging by a hotel is or is to be furnished to transient guests. 780  
Notwithstanding divisions (A)(1) and (E) of this section, the 781  
resolution shall provide that all of the revenue from the increase 782  
in rate, after deducting the real and actual costs of 783  
administering the tax, shall be used to pay the costs of 784  
improving, expanding, equipping, financing, or operating a 785  
convention center by a convention and visitors' bureau in the 786  
county. The increase in rate shall remain in effect for the period 787  
specified in the resolution, not to exceed ten years, and may be 788  
extended for an additional period of time not to exceed ten years 789  
thereafter by a resolution adopted by a majority of the members of 790  
the board. The increase in rate shall be subject to the 791  
regulations adopted under division (A)(1) of this section, except 792  
that the resolution may provide that no portion of the revenue 793  
from the increase in the rate shall be returned to townships or 794  
municipal corporations as would otherwise be required under that 795  
division. 796

(7) Division (A)(7) of this section applies only to a county 797  
with a population greater than sixty-five thousand and less than 798  
seventy thousand according to the most recent federal decennial 799  
census and in which, on December 31, 2006, an excise tax is levied 800  
under division (A)(1) of this section at a rate not less than and 801  
not greater than three per cent, and in which the most recent 802  
increase in the rate of that tax was enacted or took effect in 803  
November 1984. 804

The board of county commissioners of a county to which this 805  
division applies, by resolution adopted by a majority of the 806

members of the board, may increase the rate of the tax by not more  
than one per cent on transactions by which lodging by a hotel is  
or is to be furnished to transient guests. The increase in rate  
shall be for the purpose of paying expenses deemed necessary by  
the convention and visitors' bureau operating in the county to  
promote travel and tourism. The increase in rate shall remain in  
effect for the period specified in the resolution, not to exceed  
twenty years, provided that the increase in rate may not continue  
beyond the time when the purpose for which the increase is levied  
ceases to exist. If revenue from the increase in rate is pledged  
to the payment of debt charges on securities, the increase in rate  
is not subject to diminution by initiative or referendum or by law  
for so long as the securities are outstanding, unless provision is  
made by law or by the board of county commissioners for an  
adequate substitute for that revenue that is satisfactory to the  
trustee if a trust agreement secures payment of the debt charges.  
The increase in rate shall be subject to the regulations adopted  
under division (A)(1) of this section, except that the resolution  
may provide that no portion of the revenue from the increase in  
the rate shall be returned to townships or municipal corporations  
as would otherwise be required under division (A)(1) of this  
section. A resolution adopted under division (A)(7) of this  
section is subject to referendum under sections 305.31 to 305.99  
of the Revised Code.

(8)(a) Division (A)(8) of this section applies only to a  
county satisfying all of the following:

(i) The population of the county is greater than one hundred  
seventy-five thousand and less than two hundred twenty-five  
thousand according to the most recent federal decennial census.

(ii) An amusement park with an average yearly attendance in

excess of two million guests is located in the county. 837

(iii) On December 31, 2014, an excise tax was levied in the 838  
county under division (A)(1) of this section at a rate of three 839  
per cent. 840

(b) The board of county commissioners of a county to which 841  
this division applies, by resolution adopted by a majority of the 842  
members of the board, may increase the rate of the tax by not more 843  
than one per cent on transactions by which lodging by a hotel is 844  
or is to be furnished to transient guests. The increase in rate 845  
shall be used to pay the costs of constructing and maintaining 846  
facilities owned by the county or by a port authority created 847  
under Chapter 4582. of the Revised Code, and designed to host 848  
sporting events and expenses deemed necessary by the convention 849  
and visitors' bureau operating in the county to promote travel and 850  
tourism with reference to the sports facilities, and to pay or 851  
pledge to the payment of debt service on securities issued to pay 852  
the costs of constructing, operating, and maintaining the sports 853  
facilities. The increase in rate shall remain in effect for the 854  
period specified in the resolution. If revenue from the increase 855  
in rate is pledged to the payment of debt charges on securities, 856  
the increase in rate is not subject to diminution by initiative or 857  
referendum or by law for so long as the securities are 858  
outstanding, unless provision is made by law or by the board of 859  
county commissioners for an adequate substitute for that revenue 860  
that is satisfactory to the trustee if a trust agreement secures 861  
payment of the debt charges. The increase in rate shall be subject 862  
to the regulations adopted under division (A)(1) of this section, 863  
except that the resolution may provide that no portion of the 864  
revenue from the increase in the rate shall be returned to 865  
townships or municipal corporations as would otherwise be required 866  
under division (A)(1) of this section. 867

(9) The board of county commissioners of a county with a population greater than seventy-five thousand and less than seventy-eight thousand, by resolution adopted by a majority of the members of the board not later than October 15, 2015, may increase the rate of the tax by not more than one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The increase in rate shall be for the purposes described in section 307.679 of the Revised Code or for the promotion of travel and tourism in the county, including travel and tourism to sports facilities. The increase in rate shall remain in effect for the period specified in the resolution and as necessary to fulfill the county's obligations under a cooperative agreement entered into under section 307.679 of the Revised Code. If the resolution is adopted by the board before September 29, 2015, but after that enactment becomes law, the increase in rate shall become effective beginning on September 29, 2015. If revenue from the increase in rate is pledged to the payment of debt charges on securities, or to substitute for other revenues pledged to the payment of such debt, the increase in rate is not subject to diminution by initiative or referendum or by law for so long as the securities are outstanding, unless provision is made by law or by the board of county commissioners for an adequate substitute for that revenue that is satisfactory to the trustee if a trust agreement secures payment of the debt charges. The increase in rate shall be subject to the regulations adopted under division (A)(1) of this section, except that no portion of the revenue from the increase in the rate shall be returned to townships or municipal corporations as would otherwise be required under division (A)(1) of this section.

(10) Division (A)(10) of this section applies only to counties satisfying either of the following:

(a) A county that, on July 1, 2015, does not levy an excise 899  
tax under division (A)(1) of this section and that has a 900  
population of at least thirty-nine thousand but not more than 901  
forty thousand according to the 2010 federal decennial census; 902

(b) A county that, on July 1, 2015, levies an excise tax 903  
under division (A)(1) of this section at a rate of three per cent 904  
and that has a population of at least seventy-one thousand but not 905  
more than seventy-five thousand according to 2010 federal 906  
decennial census. 907

The board of county commissioners of a county to which 908  
division (A)(10) of this section applies, by resolution adopted by 909  
a majority of the members of the board, may levy an excise tax at 910  
a rate not to exceed three per cent on transactions by which 911  
lodging by a hotel is or is to be furnished to transient guests 912  
for the purpose of acquiring, constructing, equipping, or 913  
repairing permanent improvements, as defined in section 133.01 of 914  
the Revised Code. If the board does not levy a tax under division 915  
(A)(1) of this section, the board shall establish regulations 916  
necessary to provide for the administration of the tax, which may 917  
prescribe the time for payment of the tax and the imposition of 918  
penalty or interest subject to the limitations on penalty and 919  
interest provided in division (A)(1) of this section. No portion 920  
of the revenue shall be returned to townships or municipal 921  
corporations in the county unless otherwise provided by resolution 922  
of the board. The tax shall apply throughout the territory of the 923  
county, including in any township or municipal corporation levying 924  
an excise tax under division (B) of this section or division (A) 925  
of section 5739.08 of the Revised Code. The levy of the tax is 926  
subject to referendum as provided under section 305.31 of the 927  
Revised Code. 928

The tax shall remain in effect for the period specified in 929  
the resolution. If revenue from the increase in rate is pledged to 930  
the payment of debt charges on securities, the increase in rate is 931  
not subject to diminution by initiative or referendum or by law 932  
for so long as the securities are outstanding unless provision is 933  
made by law or by the board for an adequate substitute for that 934  
revenue that is satisfactory to the trustee if a trust agreement 935  
secures payment of the debt charges. 936

(11) The board of county commissioners of an eligible county, 937  
as defined in section 307.678 of the Revised Code, that levies an 938  
excise tax under division (A)(1) of this section on July 1, 2017, 939  
at a rate of three per cent may, by resolution adopted by a 940  
majority of the members of the board, amend the resolution levying 941  
the tax to increase the rate of the tax by not more than an 942  
additional three per cent on each transaction. No portion of the 943  
revenue shall be returned to townships or municipal corporations 944  
in the county unless otherwise provided by resolution of the 945  
board. Otherwise, the revenue from the increase in the rate shall 946  
be distributed and used in the same manner described under 947  
division (A)(1) of this section or distributed or used to provide 948  
credit enhancement facilities as authorized under section 307.678 949  
of the Revised Code. The increase in rate shall remain in effect 950  
for the period specified in the resolution. If revenue from the 951  
increase in rate is pledged to the payment of debt charges on 952  
securities, the increase in rate is not subject to diminution by 953  
initiative or referendum or by law for so long as the securities 954  
are outstanding unless provision is made by law or by the board 955  
for an adequate substitute for that revenue that is satisfactory 956  
to the trustee if a trust agreement secures payment of the debt 957  
charges. 958

(12)(a) As used in this division: 959

(i) "Eligible county" means a county that has a population greater than one hundred ninety thousand and less than two hundred thousand according to the 2010 federal decennial census and that levies an excise tax under division (A)(1) of this section at a rate of three per cent.

(ii) "Professional sports facility" means a sports facility that is intended to house major or minor league professional athletic teams, including a stadium, together with all parking facilities, walkways, and other auxiliary facilities, real and personal property, property rights, easements, and interests that may be appropriate for, or used in connection with, the operation of the facility.

(b) Subject to division (A)(12)(c) of this section, the board of county commissioners of an eligible county, by resolution adopted by a majority of the members of the board, may increase the rate of the tax by not more than one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Revenue from the increase in rate shall be used for the purposes of paying the costs of constructing, improving, and maintaining a professional sports facility in the county and paying expenses considered necessary by the convention and visitors' bureau operating in the county to promote travel and tourism with respect to that professional sports facility. The tax shall take effect only after the convention and visitors' bureau enters into a contract for the construction, improvement, or maintenance of a professional sports facility that is or will be located on property acquired, in whole or in part, with revenue from the increased rate, and thereafter shall remain in effect for the period specified in the resolution. If revenue from the increase in rate is pledged to the payment of debt charges on securities, the increase in rate is not subject to diminution by

initiative or referendum or by law for so long as the securities  
are outstanding, unless a provision is made by law or by the board  
of county commissioners for an adequate substitute for that  
revenue that is satisfactory to the trustee if a trust agreement  
secures payment of the debt charges. The increase in rate shall be  
subject to the regulations adopted under division (A)(1) of this  
section, except that the resolution may provide that no portion of  
the revenue from the increase in the rate shall be returned to  
townships or municipal corporations as would otherwise be required  
under division (A)(1) of this section.

(c) If, on January 1, 2019, the convention and visitors'  
bureau has not entered into a contract for the construction,  
improvement, or maintenance of a professional sports facility that  
is or will be located on property acquired, in whole or in part,  
with revenue from the increased rate, the authority to levy the  
tax under division (A)(12)(b) of this section is hereby repealed  
on that date.

(B)(1) The legislative authority of a municipal corporation  
or the board of trustees of a township that is not wholly or  
partly located in a county that has in effect a resolution levying  
an excise tax pursuant to division (A)(1) of this section may, by  
ordinance or resolution, levy an excise tax not to exceed three  
per cent on transactions by which lodging by a hotel is or is to  
be furnished to transient guests. The legislative authority of the  
municipal corporation or the board of trustees of the township  
shall deposit at least fifty per cent of the revenue from the tax  
levied pursuant to this division into a separate fund, which shall  
be spent solely to make contributions to convention and visitors'  
bureaus operating within the county in which the municipal  
corporation or township is wholly or partly located, and the  
balance of that revenue shall be deposited in the general fund.

The municipal corporation or township shall establish all  
regulations necessary to provide for the administration and  
allocation of the tax. The regulations may prescribe the time for  
payment of the tax, and may provide for the imposition of a  
penalty or interest, or both, for late payments, provided that the  
penalty does not exceed ten per cent of the amount of tax due, and  
the rate at which interest accrues does not exceed the rate per  
annum prescribed pursuant to section 5703.47 of the Revised Code.  
The levy of a tax under this division is in addition to any tax  
imposed on the same transaction by a municipal corporation or a  
township as authorized by division (A) of section 5739.08 of the  
Revised Code.

(2)(a) The legislative authority of the most populous  
municipal corporation located wholly or partly in a county in  
which the board of county commissioners has levied a tax under  
division (A)(4) of this section may amend, on or before September  
30, 2002, that municipal corporation's ordinance or resolution  
that levies an excise tax on transactions by which lodging by a  
hotel is or is to be furnished to transient guests, to provide for  
all of the following:

(i) That the rate of the tax shall be increased by not more  
than an additional one per cent on each transaction;

(ii) That all of the revenue from the increase in rate shall  
be pledged and contributed to a convention facilities authority  
established by the board of county commissioners under Chapter  
351. of the Revised Code on or before May 15, 2002, and be used to  
pay costs of constructing, expanding, maintaining, operating, or  
promoting a convention center in the county, including paying  
bonds, or notes issued in anticipation of bonds, as provided by  
that chapter;

(iii) That the increase in rate shall not be subject to 1052  
diminution by initiative or referendum or by law while any bonds, 1053  
or notes in anticipation of bonds, issued by the authority under 1054  
Chapter 351. of the Revised Code to which the revenue is pledged, 1055  
remain outstanding in accordance with their terms, unless 1056  
provision is made by law, by the board of county commissioners, or 1057  
by the legislative authority, for an adequate substitute therefor 1058  
that is satisfactory to the trustee if a trust agreement secures 1059  
the bonds. 1060

(b) The legislative authority of a municipal corporation 1061  
that, pursuant to division (B)(2)(a) of this section, has amended 1062  
its ordinance or resolution to increase the rate of the tax 1063  
authorized by division (B)(1) of this section may further amend 1064  
the ordinance or resolution to provide that the revenue referred 1065  
to in division (B)(2)(a)(ii) of this section shall be pledged and 1066  
contributed both to a convention facilities authority to pay the 1067  
costs of constructing, expanding, maintaining, or operating one or 1068  
more convention centers in the county, including paying bonds, or 1069  
notes issued in anticipation of bonds, as provided in Chapter 351. 1070  
of the Revised Code, and to a convention and visitors' bureau to 1071  
pay the costs of promoting one or more convention centers in the 1072  
county. 1073

As used in division (B)(2) of this section, "cost" has the 1074  
same meaning as in section 351.01 of the Revised Code, and 1075  
"convention center" has the same meaning as in section 307.695 of 1076  
the Revised Code. 1077

(3) The legislative authority of an eligible municipal 1078  
corporation may amend, on or before December 31, 2017, that 1079  
municipal corporation's ordinance or resolution that levies an 1080  
excise tax on transactions by which lodging by a hotel is or is to 1081

be furnished to transient guests, to provide for the following: 1082

(a) That the rate of the tax shall be increased by not more 1083  
than an additional three per cent on each transaction; 1084

(b) That all of the revenue from the increase in rate shall 1085  
be used by the municipal corporation for economic development and 1086  
tourism-related purposes. 1087

As used in division (B)(3) of this section, "eligible 1088  
municipal corporation" means a municipal corporation that, on the 1089  
effective date of the amendment of this section by H.B. 49 of the 1090  
132nd general assembly, September 29, 2017, levied a tax under 1091  
division (B)(1) of this section at a rate of three per cent and 1092  
that is located in a county that, on that date, levied a tax under 1093  
division (A) of this section at a rate of three per cent and that 1094  
has, according to the most recent federal decennial census, a 1095  
population exceeding three hundred thousand but not greater than 1096  
three hundred fifty thousand. 1097

(C) For the purposes described in section 307.695 of the 1098  
Revised Code and to cover the costs of administering the tax, a 1099  
board of county commissioners of a county where a tax imposed 1100  
under division (A)(1) of this section is in effect may, by 1101  
resolution adopted within ninety days after July 15, 1985, by a 1102  
majority of the members of the board, levy an additional excise 1103  
tax not to exceed three per cent on transactions by which lodging 1104  
by a hotel is or is to be furnished to transient guests. The tax 1105  
authorized by this division shall be in addition to any tax that 1106  
is levied pursuant to division (A) of this section, but it shall 1107  
not apply to transactions subject to a tax levied by a municipal 1108  
corporation or township pursuant to the authorization granted by 1109  
division (A) of section 5739.08 of the Revised Code. The board 1110  
shall establish all regulations necessary to provide for the 1111

administration and allocation of the tax. The regulations may  
prescribe the time for payment of the tax, and may provide for the  
imposition of a penalty or interest, or both, for late payments,  
provided that the penalty does not exceed ten per cent of the  
amount of tax due, and the rate at which interest accrues does not  
exceed the rate per annum prescribed pursuant to section 5703.47  
of the Revised Code. All revenues arising from the tax shall be  
expended in accordance with section 307.695 of the Revised Code.  
The board of county commissioners of an eligible county as defined  
in section 307.695 of the Revised Code may, by resolution adopted  
by a majority of the members of the board, amend the resolution  
levying a tax under this division to provide that the revenue from  
the tax shall be used by the board as described in division (H) of  
section 307.695 of the Revised Code. A tax imposed under this  
division shall remain in effect at the rate at which it is imposed  
for the duration of the period during which any agreement entered  
into by the board under section 307.695 of the Revised Code is in  
effect, the duration of the period during which any securities  
issued by the board under division (I) of section 307.695 of the  
Revised Code are outstanding, or the duration of the period during  
which the board owns a project as defined in section 307.695 of  
the Revised Code, whichever duration is longest.

(D) For the purpose of providing contributions under division  
(B)(1) of section 307.671 of the Revised Code to enable the  
acquisition, construction, and equipping of a port authority  
educational and cultural facility in the county and, to the extent  
provided for in the cooperative agreement authorized by that  
section, for the purpose of paying debt service charges on bonds,  
or notes in anticipation of bonds, described in division (B)(1)(b)  
of that section, a board of county commissioners, by resolution  
adopted within ninety days after December 22, 1992, by a majority

of the members of the board, may levy an additional excise tax not  
to exceed one and one-half per cent on transactions by which  
lodging by a hotel is or is to be furnished to transient guests.  
The excise tax authorized by this division shall be in addition to  
any tax that is levied pursuant to divisions (A), (B), and (C) of  
this section, to any excise tax levied pursuant to section 5739.08  
of the Revised Code, and to any excise tax levied pursuant to  
section 351.021 of the Revised Code. The board of county  
commissioners shall establish all regulations necessary to provide  
for the administration and allocation of the tax that are not  
inconsistent with this section or section 307.671 of the Revised  
Code. The regulations may prescribe the time for payment of the  
tax, and may provide for the imposition of a penalty or interest,  
or both, for late payments, provided that the penalty does not  
exceed ten per cent of the amount of tax due, and the rate at  
which interest accrues does not exceed the rate per annum  
prescribed pursuant to section 5703.47 of the Revised Code. All  
revenues arising from the tax shall be expended in accordance with  
section 307.671 of the Revised Code and division (D) of this  
section. The levy of a tax imposed under this division may not  
commence prior to the first day of the month next following the  
execution of the cooperative agreement authorized by section  
307.671 of the Revised Code by all parties to that agreement. The  
tax shall remain in effect at the rate at which it is imposed for  
the period of time described in division (C) of section 307.671 of  
the Revised Code for which the revenue from the tax has been  
pledged by the county to the corporation pursuant to that section,  
but, to any extent provided for in the cooperative agreement, for  
no lesser period than the period of time required for payment of  
the debt service charges on bonds, or notes in anticipation of  
bonds, described in division (B)(1)(b) of that section.

(E) For the purpose of paying the costs of acquiring, 1174  
constructing, equipping, and improving a municipal educational and 1175  
cultural facility, including debt service charges on bonds 1176  
provided for in division (B) of section 307.672 of the Revised 1177  
Code, and for any additional purposes determined by the county in 1178  
the resolution levying the tax or amendments to the resolution, 1179  
including subsequent amendments providing for paying costs of 1180  
acquiring, constructing, renovating, rehabilitating, equipping, 1181  
and improving a port authority educational and cultural performing 1182  
arts facility, as defined in section 307.674 of the Revised Code, 1183  
and including debt service charges on bonds provided for in 1184  
division (B) of section 307.674 of the Revised Code, the 1185  
legislative authority of a county, by resolution adopted within 1186  
ninety days after June 30, 1993, by a majority of the members of 1187  
the legislative authority, may levy an additional excise tax not 1188  
to exceed one and one-half per cent on transactions by which 1189  
lodging by a hotel is or is to be furnished to transient guests. 1190  
The excise tax authorized by this division shall be in addition to 1191  
any tax that is levied pursuant to divisions (A), (B), (C), and 1192  
(D) of this section, to any excise tax levied pursuant to section 1193  
5739.08 of the Revised Code, and to any excise tax levied pursuant 1194  
to section 351.021 of the Revised Code. The legislative authority 1195  
of the county shall establish all regulations necessary to provide 1196  
for the administration and allocation of the tax. The regulations 1197  
may prescribe the time for payment of the tax, and may provide for 1198  
the imposition of a penalty or interest, or both, for late 1199  
payments, provided that the penalty does not exceed ten per cent 1200  
of the amount of tax due, and the rate at which interest accrues 1201  
does not exceed the rate per annum prescribed pursuant to section 1202  
5703.47 of the Revised Code. All revenues arising from the tax 1203  
shall be expended in accordance with section 307.672 of the 1204

Revised Code and this division. The levy of a tax imposed under  
this division shall not commence prior to the first day of the  
month next following the execution of the cooperative agreement  
authorized by section 307.672 of the Revised Code by all parties  
to that agreement. The tax shall remain in effect at the rate at  
which it is imposed for the period of time determined by the  
legislative authority of the county. That period of time shall not  
exceed fifteen years, except that the legislative authority of a  
county with a population of less than two hundred fifty thousand  
according to the most recent federal decennial census, by  
resolution adopted by a majority of its members before the  
original tax expires, may extend the duration of the tax for an  
additional period of time. The additional period of time by which  
a legislative authority extends a tax levied under this division  
shall not exceed fifteen years.

(F) The legislative authority of a county that has levied a  
tax under division (E) of this section may, by resolution adopted  
within one hundred eighty days after January 4, 2001, by a  
majority of the members of the legislative authority, amend the  
resolution levying a tax under that division to provide for the  
use of the proceeds of that tax, to the extent that it is no  
longer needed for its original purpose as determined by the  
parties to a cooperative agreement amendment pursuant to division  
(D) of section 307.672 of the Revised Code, to pay costs of  
acquiring, constructing, renovating, rehabilitating, equipping,  
and improving a port authority educational and cultural performing  
arts facility, including debt service charges on bonds provided  
for in division (B) of section 307.674 of the Revised Code, and to  
pay all obligations under any guaranty agreements, reimbursement  
agreements, or other credit enhancement agreements described in  
division (C) of section 307.674 of the Revised Code. The

resolution may also provide for the extension of the tax at the  
same rate for the longer of the period of time determined by the  
legislative authority of the county, but not to exceed an  
additional twenty-five years, or the period of time required to  
pay all debt service charges on bonds provided for in division (B)  
of section 307.672 of the Revised Code and on port authority  
revenue bonds provided for in division (B) of section 307.674 of  
the Revised Code. All revenues arising from the amendment and  
extension of the tax shall be expended in accordance with section  
307.674 of the Revised Code, this division, and division (E) of  
this section.

(G) For purposes of a tax levied by a county, township, or  
municipal corporation under this section or section 5739.08 of the  
Revised Code, a board of county commissioners, board of township  
trustees, or the legislative authority of a municipal corporation  
may adopt a resolution or ordinance at any time specifying that  
"hotel," as otherwise defined in section 5739.01 of the Revised  
Code, includes the following:

(1) Establishments in which fewer than five rooms are used  
for the accommodation of guests.

(2) Establishments at which rooms are used for the  
accommodation of guests regardless of whether each room is  
accessible through its own keyed entry or several rooms are  
accessible through the same keyed entry; and, in determining the  
number of rooms, all rooms are included regardless of the number  
of structures in which the rooms are situated or the number of  
parcels of land on which the structures are located if the  
structures are under the same ownership and the structures are not  
identified in advertisements of the accommodations as distinct  
establishments. For the purposes of division (G)(2) of this

section, two or more structures are under the same ownership if 1266  
they are owned by the same person, or if they are owned by two or 1267  
more persons the majority of the ownership interests of which are 1268  
owned by the same person. 1269

The resolution or ordinance may apply to a tax imposed 1270  
pursuant to this section prior to the adoption of the resolution 1271  
or ordinance if the resolution or ordinance so states, but the tax 1272  
shall not apply to transactions by which lodging by such an 1273  
establishment is provided to transient guests prior to the 1274  
adoption of the resolution or ordinance. 1275

(H)(1) As used in this division: 1276

(a) "Convention facilities authority" has the same meaning as 1277  
in section 351.01 of the Revised Code. 1278

(b) "Convention center" has the same meaning as in section 1279  
307.695 of the Revised Code. 1280

(2) Notwithstanding any contrary provision of division (D) of 1281  
this section, the legislative authority of a county with a 1282  
population of one million or more according to the most recent 1283  
federal decennial census that has levied a tax under division (D) 1284  
of this section may, by resolution adopted by a majority of the 1285  
members of the legislative authority, provide for the extension of 1286  
such levy and may provide that the proceeds of that tax, to the 1287  
extent that they are no longer needed for their original purpose 1288  
as defined by a cooperative agreement entered into under section 1289  
307.671 of the Revised Code, shall be deposited into the county 1290  
general revenue fund. The resolution shall provide for the 1291  
extension of the tax at a rate not to exceed the rate specified in 1292  
division (D) of this section for a period of time determined by 1293  
the legislative authority of the county, but not to exceed an 1294  
additional forty years. 1295

(3) The legislative authority of a county with a population 1296  
of one million or more that has levied a tax under division (A)(1) 1297  
of this section may, by resolution adopted by a majority of the 1298  
members of the legislative authority, increase the rate of the tax 1299  
levied by such county under division (A)(1) of this section to a 1300  
rate not to exceed five per cent on transactions by which lodging 1301  
by a hotel is or is to be furnished to transient guests. 1302  
Notwithstanding any contrary provision of division (A)(1) of this 1303  
section, the resolution may provide that all collections resulting 1304  
from the rate levied in excess of three per cent, after deducting 1305  
the real and actual costs of administering the tax, shall be 1306  
deposited in the county general fund. 1307

(4) The legislative authority of a county with a population 1308  
of one million or more that has levied a tax under division (A)(1) 1309  
of this section may, by resolution adopted on or before August 30, 1310  
2004, by a majority of the members of the legislative authority, 1311  
provide that all or a portion of the proceeds of the tax levied 1312  
under division (A)(1) of this section, after deducting the real 1313  
and actual costs of administering the tax and the amounts required 1314  
to be returned to townships and municipal corporations with 1315  
respect to the first three per cent levied under division (A)(1) 1316  
of this section, shall be deposited in the county general fund, 1317  
provided that such proceeds shall be used to satisfy any pledges 1318  
made in connection with an agreement entered into under section 1319  
307.695 of the Revised Code. 1320

(5) No amount collected from a tax levied, extended, or 1321  
required to be deposited in the county general fund under division 1322  
(H) of this section shall be contributed to a convention 1323  
facilities authority, corporation, or other entity created after 1324  
July 1, 2003, for the principal purpose of constructing, 1325  
improving, expanding, equipping, financing, or operating a 1326

convention center unless the mayor of the municipal corporation in  
which the convention center is to be operated by that convention  
facilities authority, corporation, or other entity has consented  
to the creation of that convention facilities authority,  
corporation, or entity. Notwithstanding any contrary provision of  
section 351.04 of the Revised Code, if a tax is levied by a county  
under division (H) of this section, the board of county  
commissioners of that county may determine the manner of  
selection, the qualifications, the number, and terms of office of  
the members of the board of directors of any convention facilities  
authority, corporation, or other entity described in division  
(H)(5) of this section.

(6)(a) No amount collected from a tax levied, extended, or  
required to be deposited in the county general fund under division  
(H) of this section may be used for any purpose other than paying  
the direct and indirect costs of constructing, improving,  
expanding, equipping, financing, or operating a convention center  
and for the real and actual costs of administering the tax,  
unless, prior to the adoption of the resolution of the legislative  
authority of the county authorizing the levy, extension, increase,  
or deposit, the county and the mayor of the most populous  
municipal corporation in that county have entered into an  
agreement as to the use of such amounts, provided that such  
agreement has been approved by a majority of the mayors of the  
other municipal corporations in that county. The agreement shall  
provide that the amounts to be used for purposes other than paying  
the convention center or administrative costs described in  
division (H)(6)(a) of this section be used only for the direct and  
indirect costs of capital improvements, including the financing of  
capital improvements.

(b) If the county in which the tax is levied has an

association of mayors and city managers, the approval of that 1358  
association of an agreement described in division (H)(6)(a) of 1359  
this section shall be considered to be the approval of the 1360  
majority of the mayors of the other municipal corporations for 1361  
purposes of that division. 1362

(7) Each year, the auditor of state shall conduct an audit of 1363  
the uses of any amounts collected from taxes levied, extended, or 1364  
deposited under division (H) of this section and shall prepare a 1365  
report of the auditor of state's findings. The auditor of state 1366  
shall submit the report to the legislative authority of the county 1367  
that has levied, extended, or deposited the tax, the speaker of 1368  
the house of representatives, the president of the senate, and the 1369  
leaders of the minority parties of the house of representatives 1370  
and the senate. 1371

(I)(1) As used in this division: 1372

(a) "Convention facilities authority" has the same meaning as 1373  
in section 351.01 of the Revised Code. 1374

(b) "Convention center" has the same meaning as in section 1375  
307.695 of the Revised Code. 1376

(2) Notwithstanding any contrary provision of division (D) of 1377  
this section, the legislative authority of a county with a 1378  
population of one million two hundred thousand or more according 1379  
to the most recent federal decennial census or the most recent 1380  
annual population estimate published or released by the United 1381  
States census bureau at the time the resolution is adopted placing 1382  
the levy on the ballot, that has levied a tax under division (D) 1383  
of this section may, by resolution adopted by a majority of the 1384  
members of the legislative authority, provide for the extension of 1385  
such levy and may provide that the proceeds of that tax, to the 1386  
extent that the proceeds are no longer needed for their original 1387

purpose as defined by a cooperative agreement entered into under 1388  
section 307.671 of the Revised Code and after deducting the real 1389  
and actual costs of administering the tax, shall be used for 1390  
paying the direct and indirect costs of constructing, improving, 1391  
expanding, equipping, financing, or operating a convention center. 1392  
The resolution shall provide for the extension of the tax at a 1393  
rate not to exceed the rate specified in division (D) of this 1394  
section for a period of time determined by the legislative 1395  
authority of the county, but not to exceed an additional forty 1396  
years. 1397

(3) The legislative authority of a county with a population 1398  
of one million two hundred thousand or more that has levied a tax 1399  
under division (A)(1) of this section may, by resolution adopted 1400  
by a majority of the members of the legislative authority, 1401  
increase the rate of the tax levied by such county under division 1402  
(A)(1) of this section to a rate not to exceed five per cent on 1403  
transactions by which lodging by a hotel is or is to be furnished 1404  
to transient guests. Notwithstanding any contrary provision of 1405  
division (A)(1) of this section, the resolution shall provide that 1406  
all collections resulting from the rate levied in excess of three 1407  
per cent, after deducting the real and actual costs of 1408  
administering the tax, shall be used for paying the direct and 1409  
indirect costs of constructing, improving, expanding, equipping, 1410  
financing, or operating a convention center. 1411

(4) The legislative authority of a county with a population 1412  
of one million two hundred thousand or more that has levied a tax 1413  
under division (A)(1) of this section may, by resolution adopted 1414  
on or before July 1, 2008, by a majority of the members of the 1415  
legislative authority, provide that all or a portion of the 1416  
proceeds of the tax levied under division (A)(1) of this section, 1417  
after deducting the real and actual costs of administering the tax 1418

and the amounts required to be returned to townships and municipal  
corporations with respect to the first three per cent levied under  
division (A)(1) of this section, shall be used to satisfy any  
pledges made in connection with an agreement entered into under  
section 307.695 of the Revised Code or shall otherwise be used for  
paying the direct and indirect costs of constructing, improving,  
expanding, equipping, financing, or operating a convention center.

(5) Any amount collected from a tax levied or extended under  
division (I) of this section may be contributed to a convention  
facilities authority created before July 1, 2005, but no amount  
collected from a tax levied or extended under division (I) of this  
section may be contributed to a convention facilities authority,  
corporation, or other entity created after July 1, 2005, unless  
the mayor of the municipal corporation in which the convention  
center is to be operated by that convention facilities authority,  
corporation, or other entity has consented to the creation of that  
convention facilities authority, corporation, or entity.

(J)(1) Except as provided in division (J)(2) of this section,  
money collected by a county and distributed under this section to  
a convention and visitors' bureau in existence as of June 30,  
2013, the effective date of H.B. 59 of the 130th general assembly,  
except for any such money pledged, as of that effective date, to  
the payment of debt service charges on bonds, notes, securities,  
or lease agreements, shall be used solely for tourism sales,  
marketing and promotion, and their associated costs, including,  
but not limited to, operational and administrative costs of the  
bureau, sales and marketing, and maintenance of the physical  
bureau structure.

(2) A convention and visitors' bureau that has entered into  
an agreement under section 307.678 of the Revised Code may use

revenue it receives from a tax levied under division (A)(1) of 1449  
this section as described in division (E) of section 307.678 of 1450  
the Revised Code. 1451

(K) The board of county commissioners of a county with a 1452  
population between one hundred three thousand and one hundred 1453  
seven thousand according to the most recent federal decennial 1454  
census, by resolution adopted by a majority of the members of the 1455  
board within six months after September 15, 2014, the effective 1456  
date of H.B. 483 of the 130th general assembly, may levy a tax not 1457  
to exceed three per cent on transactions by which a hotel is or is 1458  
to be furnished to transient guests. The purpose of the tax shall 1459  
be to pay the costs of expanding, maintaining, or operating a 1460  
soldiers' memorial and the costs of administering the tax. All 1461  
revenue arising from the tax shall be credited to one or more 1462  
special funds in the county treasury and shall be spent solely for 1463  
the purposes of paying those costs. The board of county 1464  
commissioners shall adopt all rules necessary to provide for the 1465  
administration of the tax subject to the same limitations on 1466  
imposing penalty or interest under division (A)(1) of this 1467  
section. 1468

As used in this division "soldiers' memorial" means a 1469  
memorial constructed and funded under Chapter 345. of the Revised 1470  
Code. 1471

(L) A board of county commissioners of an eligible county, by 1472  
resolution adopted by a majority of the members of the board, may 1473  
levy an excise tax at the rate of up to three per cent on 1474  
transactions by which lodging by a hotel is or is to be furnished 1475  
to transient guests for the purpose of paying the costs of 1476  
permanent improvements at sites at which one or more agricultural 1477  
societies conduct fairs or exhibits, paying the costs of 1478

maintaining or operating such permanent improvements, and paying 1479  
the costs of administering the tax. A resolution adopted under 1480  
this division shall direct the board of elections to submit the 1481  
question of the proposed lodging tax to the electors of the county 1482  
at a special election held on the date specified by the board in 1483  
the resolution, provided that the election occurs not less than 1484  
ninety days after a certified copy of the resolution is 1485  
transmitted to the board of elections. A resolution submitted to 1486  
the electors under this division shall not go into effect unless 1487  
it is approved by a majority of those voting upon it. The 1488  
resolution takes effect on the date the board of county 1489  
commissioners receives notification from the board of elections of 1490  
an affirmative vote. 1491

The tax shall remain in effect for the period specified in 1492  
the resolution, not to exceed five years. All revenue arising from 1493  
the tax shall be credited to one or more special funds in the 1494  
county treasury and shall be spent solely for the purposes of 1495  
paying the costs of such permanent improvements and maintaining or 1496  
operating the improvements. Revenue allocated for the use of a 1497  
county agricultural society may be credited to the county 1498  
agricultural society fund created in section 1711.16 of the 1499  
Revised Code upon appropriation by the board. If revenue is 1500  
credited to that fund, it shall be expended only as provided in 1501  
that section. 1502

The board of county commissioners shall adopt all rules 1503  
necessary to provide for the administration of the tax. The rules 1504  
may prescribe the time for payment of the tax, and may provide for 1505  
the imposition or penalty or interest, or both, for late payments, 1506  
provided that the penalty does not exceed ten per cent of the 1507  
amount of tax due, and the rate at which interest accrues does not 1508  
exceed the rate per annum prescribed in section 5703.47 of the 1509

Revised Code. 1510

As used in this division, "eligible county" means a county in 1511  
which a county agricultural society or independent agricultural 1512  
society is organized under section 1711.01 or 1711.02 of the 1513  
Revised Code, provided the agricultural society owns a facility or 1514  
site in the county at which an annual harness horse race is 1515  
conducted where one-day attendance equals at least forty thousand 1516  
attendees. 1517

(M) As used in this division, "eligible county" means a 1518  
county in which a tax is levied under division (A) of this section 1519  
at a rate of three per cent and whose territory includes a part of 1520  
Lake Erie the shoreline of which represents at least fifty per 1521  
cent of the linear length of the county's border with other 1522  
counties of this state. 1523

The board of county commissioners of an eligible county that 1524  
has entered into an agreement with a port authority in the county 1525  
under section 4582.56 of the Revised Code may levy an additional 1526  
lodging tax on transactions by which lodging by a hotel is or is 1527  
to be furnished to transient guests for the purpose of financing 1528  
lakeshore improvement projects constructed or financed by the port 1529  
authority under that section. The resolution levying the tax shall 1530  
specify the purpose of the tax, the rate of the tax, which shall 1531  
not exceed two per cent, and the number of years the tax will be 1532  
levied or that it will be levied for a continuing period of time. 1533  
The tax shall be administered pursuant to the regulations adopted 1534  
by the board under division (A) of this section, except that all 1535  
the proceeds of the tax levied under this division shall be 1536  
pledged to the payment of the costs, including debt charges, of 1537  
lakeshore improvements undertaken by a port authority pursuant to 1538  
the agreement under section 4582.56 of the Revised Code. No 1539

revenue from the tax may be used to pay the current expenses of  
the port authority.

A resolution levying a tax under this division is subject to  
referendum under sections 305.31 to 305.41 and 305.99 of the  
Revised Code.

(N)(1)(a) Notwithstanding division (A) of this section, the  
board of county commissioners, board of township trustees, or  
legislative authority of any county, township, or municipal  
corporation that levies a lodging tax on ~~the effective date of the~~  
~~amendment of this section~~ September 29, 2017, and in which any  
part of a tourism development district is located on or after that  
date shall amend the ordinance or resolution levying the tax to  
require either of the following:

~~(a)~~(i) In the case of a tax levied by a county, that all  
tourism development district lodging tax proceeds from that tax be  
used exclusively to foster and develop tourism in the tourism  
development district;

~~(b)~~(ii) In the case of a tax levied by a township or  
municipal corporation, that all tourism development district  
lodging tax proceeds from that tax be used exclusively to foster  
and develop tourism in the tourism development district.

~~(2)~~(b) Notwithstanding division (A) of this section, any  
ordinance or resolution levying a lodging tax adopted on or after  
~~the effective date of the amendment of this section~~ September 29,  
2017, by a county, township, or municipal corporation in which any  
part of a tourism development district is located on or after that  
date shall require that all tourism development district lodging  
tax proceeds from that tax be used exclusively to foster and  
develop tourism in the tourism development district.

~~+3+(c)~~ A county shall not use any of the proceeds described 1569  
in division (N)(1)(a)(~~i~~) or (N)~~+2+(1)(b)~~ of this section unless 1570  
the convention and visitors' bureau operating within the county 1571  
approves the manner in which such proceeds are used to foster and 1572  
develop tourism in the tourism development district. Upon 1573  
obtaining such approval, the county may pay such proceeds to the 1574  
bureau to use for the agreed-upon purpose. 1575

A municipal corporation or township shall not use any of the 1576  
proceeds described in division (N)(1)~~+2+(a)(ii)~~ or (N)~~+2+(1)(b)~~ of 1577  
this section unless the convention and visitors' bureau operating 1578  
within the municipal corporation or township approves the manner 1579  
in which such proceeds are used to foster and develop tourism in 1580  
the tourism development district. Upon obtaining such approval, 1581  
the municipal corporation or township may pay such proceeds to the 1582  
bureau to use for the agreed-upon purpose. 1583

~~+4+(2)(a)~~ Notwithstanding division (A) of this section, the 1584  
board of county commissioners of an eligible county that levies a 1585  
lodging tax on the effective date of the amendment of this section 1586  
may amend the resolution levying that tax to require that all or a 1587  
portion of the proceeds of that tax otherwise required to be spent 1588  
solely to make contributions to the convention and visitors' 1589  
bureau operating within the county shall be used to foster and 1590  
develop tourism in a tourism development district. 1591

(b) Notwithstanding division (A) of this section, the board 1592  
of county commissioners of an eligible county that adopts a 1593  
resolution levying a lodging tax on or after the effective date of 1594  
the amendment of this section may require that all or a portion of 1595  
the proceeds of that tax otherwise required to be spent solely to 1596  
make contributions to the convention and visitors' bureau 1597  
operating within the county pursuant to division (A) of this 1598

section shall be used to foster and develop tourism in a tourism  
development district.

(c) A county shall not use any of the proceeds in the manner  
described in division (N)(2)(a) or (b) of this section unless the  
convention and visitors' bureau operating within the county  
approves the manner in which such proceeds are used to foster and  
develop tourism in the tourism development district. Upon  
obtaining such approval, the county may pay such proceeds to the  
bureau to use for the agreed upon purpose.

(3) As used in division (N) of this section:

(a) "Tourism development district" means a district  
designated by a municipal corporation under section 715.014 of the  
Revised Code or by a township under section 503.56 of the Revised  
Code.

(b) "Lodging tax" means a tax levied pursuant to this section  
or section 5739.08 of the Revised Code.

(c) "Tourism development district lodging tax proceeds" means  
all proceeds of a lodging tax derived from transactions by which  
lodging by a hotel located in a tourism development district is or  
is to be provided to transient guests.

(d) "Eligible county" has the same meaning as in section  
307.678 of the Revised Code.

**Sec. 5739.213.** (A) As used in this section:

(1) "Tourism development district" means a tourism  
development district designated by a township or municipal  
corporation under section 503.56 or 715.014 of the Revised Code,  
respectively.

(2) "Incremental sales tax growth" means one of the

following:

1627

(a) For a county, the amount of revenue from a tax levied 1628  
under section 5739.021 or 5739.026 of the Revised Code, except for 1629  
a tax levied under section 5739.021 of the Revised Code for the 1630  
purpose of supporting criminal and administrative justice 1631  
services, and received by the county under division (B) of section 1632  
5739.21 of the Revised Code from vendors located within a tourism 1633  
development district during the preceding calendar year minus the 1634  
amount of such revenue so received by the county during the 1635  
calendar year ending immediately before the date the district is 1636  
designated; 1637

(b) For a transit authority, the amount of revenue from a tax 1638  
levied under section 5739.023 of the Revised Code received by the 1639  
transit authority under division (B) of section 5739.21 of the 1640  
Revised Code from vendors located within a tourism development 1641  
district during the preceding calendar year minus the amount of 1642  
such revenue so received by the transit authority during the 1643  
calendar year ending immediately before the date the district is 1644  
designated. 1645

(3) The "fiscal officer" of a municipal corporation means the 1646  
city auditor, village clerk, or other municipal officer having the 1647  
duties and functions of a city auditor or village clerk. 1648

(B)(1) The legislative authority of a municipal corporation 1649  
or board of trustees of a township that has designated a tourism 1650  
development district may adopt a resolution or ordinance 1651  
expressing the legislative authority's or board's intent to 1652  
receive annual payments from the county or transit authority whose 1653  
territory overlaps with the territory of that district equal to 1654  
the incremental sales tax growth from vendors located in the 1655  
district. The legislative authority or board shall certify the 1656

ordinance or resolution to the board of county commissioners or transit authority. The resolution shall specify the municipal corporation's or township's intent to receive such payments and describe the boundaries of the tourism development district. That description shall include sufficient information for the county or transit authority to determine if the address of a vendor is within the boundaries of the district.

(2) The board of county commissioners, within thirty days after receiving a certification under division (B)(1) of this section, may adopt and certify to that municipal corporation or township a resolution requiring the county to make payments to the municipal corporation or township under division (B)(4) of this section. The resolution shall prescribe the date by which the county annually shall make such payments, including the year of the first such payment. The resolution may prescribe a date or a period of time after which no such payments shall be made.

(3) The transit authority, within thirty days after receiving a certification under division (B)(1) of this section, may adopt and certify to that municipal corporation or township a resolution requiring the transit authority to make payments to the municipal corporation or township under division (B)(4) of this section. The resolution shall prescribe the date by which the transit authority annually shall make such payments, including the year of the first such payment.

(4) A county or transit authority certifying a resolution under division (B)(2) or (3) of this section, respectively, shall annually pay from its general fund to the municipal corporation or township that designated the tourism development district an amount equal to the county's or transit authority's incremental sales tax growth from vendors located in the tourism development

district. Payments made by a county shall not be made after the 1687  
date or period of time prescribed in the resolution for ending 1688  
those payments if such a date or period is so prescribed. 1689

(C) A municipal corporation or township shall use revenue 1690  
received under this section exclusively for fostering and 1691  
developing tourism in the tourism development district. 1692

(D) On or before the annual date prescribed in a resolution 1693  
adopted under division (B)(2) or (3) of this section, the fiscal 1694  
officer of a municipal corporation or township receiving revenue 1695  
from a county or transit authority under this section shall 1696  
certify a list of vendors located within the tourism development 1697  
district to the county or transit authority, which shall include 1698  
the name, address, and vendor's license number for each vendor. 1699  
The board of county commissioners or transit authority required to 1700  
make payments under this section may require vendors located 1701  
within the tourism development district to report their taxable 1702  
sales and other necessary information to the county or transit 1703  
authority for the purposes of calculating incremental sales tax 1704  
growth. 1705

(E) If a municipal corporation or township receiving revenue 1706  
under this section increases the territory of a tourism 1707  
development district, the legislative authority of the municipal 1708  
corporation or board of township trustees shall certify a copy of 1709  
the resolution or ordinance expanding the territory of the 1710  
district to the county or transit authority making payments under 1711  
this section. That ordinance or resolution shall describe the 1712  
boundaries of the tourism development district with sufficient 1713  
information for the county or transit authority to determine if 1714  
the address of a vendor is within the boundaries of the district. 1715  
Upon receipt of such an ordinance or resolution, the county or 1716  
transit authority shall recalculate its payments to the municipal 1717

corporation or township under division (B) of this section, except 1718  
 that "incremental sales tax growth" shall mean, in the context of 1719  
 the additional territory added to the tourism development 1720  
 district, the amount of revenue from taxes levied under sections 1721  
 5739.021 and 5739.026 or section 5739.023 of the Revised Code 1722  
 received by the county or transit authority under division (B) of 1723  
 section 5739.21 of the Revised Code from vendors located within 1724  
 the tourism development district during the preceding calendar 1725  
 year minus the amount of such revenue so received by the county or 1726  
 transit authority ending before the date the territory is added to 1727  
 an existing district. 1728

**Section 2.** That existing sections 307.678, 5739.09, and 1729  
 5739.213 of the Revised Code are hereby repealed." 1730

In line 87, delete "2." and insert "3." 1731

In line 94, delete "3." and insert "4." 1732

In line 118, delete "4." and insert "5." 1733

In line 136, delete "5." and insert "6." 1734

In line 147, delete "6." and insert "7." 1735

In line 304, delete "7." and insert "8." 1736

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Tourism development district funding** 1737

**R.C. 307.678, 5739.09, and 5739.213** 1738

Makes the following changes to the manner in which a county 1739  
 may divert existing tax revenue streams to fund the development of 1740

tourism in a tourism development district (TDD), which currently 1741  
may only be designated in Stark County: 1742

(1) Authorizes the county to divert all or a part of its 1743  
county-wide lodging taxes that would otherwise be paid to the 1744  
county's convention and visitors' bureau (CVB) to instead be spent 1745  
to fund the bureau's efforts to develop tourism in the TDD, but 1746  
only after obtaining the approval of the affected CVB. Current law 1747  
requires that only the portion of lodging taxes levied and 1748  
collected within the TDD must be diverted in this manner, also 1749  
subject to the approval of the CVB. 1750

(2) Expressly prohibits revenue from a county sales tax 1751  
levied to fund criminal and administrative justice services from 1752  
being diverted to develop tourism in a TDD. Under current law, the 1753  
annual growth of county and transit authority sales taxes remitted 1754  
by vendors in a TDD (referred to as "incremental sales tax 1755  
growth") may be diverted to develop tourism in a TDD upon the 1756  
approval of the municipality or township creating the TDD and the 1757  
county or transit authority levying the tax. 1758

(3) Expressly authorizes incremental sales tax growth 1759  
payments made by the county to end on a date prescribed by the 1760  
county. 1761

(4) Prohibits the county from pledging or using property tax 1762  
receipts to fund capital improvements or tourism development in a 1763  
TDD. 1764

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, after "Sections" insert "297.10,";	1
after "337.50" insert a comma	2
In line 9 of the title, delete "an earmark" and insert	3
"earmarks"	4
In line 147, after "Sections" insert "297.10,"; after	5
"337.50" insert a comma	6
Between lines 149 and 150, insert:	7
 "Sec. 297.10. OHS OHIO HISTORY CONNECTION	8
General Revenue Fund	9
GRF 360501 Education and \$ 4,155,712 \$ 4,155,712	10
Collections	
GRF 360502 Site and Museum \$ <del>5,762,853</del> \$ <del>5,762,853</del>	11
Operations <u>5,837,853</u> <u>5,837,853</u>	
GRF 360504 Ohio Preservation \$ 281,300 \$ 281,300	12
Office	
GRF 360505 National \$ 485,000 \$ 485,000	13
Afro-American Museum	
GRF 360506 Hayes Presidential \$ 485,000 \$ 485,000	14
Center	
GRF 360508 State Historical \$ <del>475,000</del> \$ <del>475,000</del>	15

		Grants		<u>400,000</u>		<u>400,000</u>	
GRF	360509	Outreach and	\$	155,583	\$	155,583	16
		Partnership					
TOTAL GRF		General Revenue Fund	\$	11,800,448	\$	11,800,448	17
		Dedicated Purpose Fund Group					18
5KL0	360602	Ohio History Tax	\$	150,000	\$	150,000	19
		Check-off					
5PD0	360603	Ohio History License	\$	10,000	\$	10,000	20
		Plate					
TOTAL DPF		Dedicated Purpose Fund	\$	160,000	\$	160,000	21
		Group					
TOTAL ALL BUDGET FUND GROUPS			\$	11,960,448	\$	11,960,448	22

## SUBSIDY APPROPRIATION

Upon approval by the Director of Budget and Management, the foregoing appropriation items shall be released to the Ohio History Connection in quarterly amounts that in total do not exceed the annual appropriations. The funds and fiscal records of the Ohio History Connection for fiscal year 2018 and fiscal year 2019 shall be examined by independent certified public accountants approved by the Auditor of State, and a copy of the audited financial statements shall be filed with the Office of Budget and Management. The Ohio History Connection shall prepare and submit to the Office of Budget and Management the following:

(A) An estimated operating budget for each fiscal year of the biennium. The operating budget shall be submitted at or near the beginning of each calendar year.

(B) Financial reports, indicating actual receipts and expenditures for the fiscal year to date. These reports shall be filed at least semiannually during the fiscal biennium.

The foregoing appropriations shall be considered to be the

contractual consideration provided by the state to support the 41  
state's offer to contract with the Ohio History Connection under 42  
section 149.30 of the Revised Code. 43

#### STATE HISTORICAL GRANTS 44

Of the foregoing appropriation item 360508, State Historical 45  
Grants, \$100,000 in each fiscal year shall be used for the 46  
Cincinnati Museum Center, \$100,000 in each fiscal year shall be 47  
used for the Western Reserve Historical Society, \$100,000 in each 48  
fiscal year shall be used for the Cleveland Museum of Natural 49  
History, and \$100,000 in each fiscal year shall be used for the 50  
Cleveland ~~Museum~~ Institute of Art. 51

#### OUTREACH AND PARTNERSHIP 52

Of the foregoing appropriation item 360509, Outreach and 53  
Partnership, \$70,000 in each fiscal year shall be distributed to 54  
the Ohio World War I Centennial Working Group." 55

In line 304, after "Sections" insert "297.10,"; after 56  
"337.50" insert a comma 57

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

#### Ohio History Connection 58

Sections 6 and 7 (amending Section 297.10 of Am. Sub. H.B. 49 59  
of the 132nd General Assembly) 60

Increases GRF appropriation item 360502, Site and Museum 61  
Operations, by \$75,000 in each fiscal year and decreases GRF 62  
appropriation item 360508, State Historical Grants, by the same 63

amount. 64

Amends an earmark of \$100,000 each fiscal year from GRF 65  
appropriation item 360508, State Historical Grants, to modify the 66  
name of the organization receiving the funds from the Cleveland 67  
Museum of Art to the Cleveland Institute of Art. 68

Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, after "Sections" insert "291.20,";	1
after "337.50" insert a comma	2
In line 9 of the title, delete "an earmark" and insert	3
"earmarks"	4
In line 147, after "Sections" insert "291.20,"; after	5
"337.50" insert a comma	6
Between lines 149 and 150, insert:	7
<b>"Sec. 291.20. MOTHERS AND CHILDREN SAFETY NET SERVICES</b>	8
Of the foregoing appropriation item 440416, Mothers and	9
Children Safety Net Services, \$200,000 in each fiscal year shall	10
be used to assist families with hearing impaired children under	11
twenty-one years of age in purchasing hearing aids and hearing	12
assistive technology. The Director of Health shall adopt rules	13
governing the distribution of these funds, including rules that do	14
both of the following: (1) establish eligibility criteria to	15
include families with incomes at or below four hundred per cent of	16
the federal poverty guidelines as defined in section 5101.46 of	17
the Revised Code, and (2) develop a sliding scale of disbursements	18
under this section based on family income. The Director may adopt	19
other rules as necessary to implement this section. Rules adopted	20

under this section shall be adopted in accordance with Chapter 21  
119. of the Revised Code. 22

#### AIDS PREVENTION AND TREATMENT 23

The foregoing appropriation item 440444, AIDS Prevention and 24  
Treatment, shall be used to administer educational and other 25  
prevention initiatives. 26

#### FQHC PRIMARY CARE WORKFORCE INITIATIVE 27

The foregoing appropriation item 440465, FQHC Primary Care 28  
Workforce Initiative, shall be provided to the Ohio Association of 29  
Community Health Centers to administer the FQHC Primary Care 30  
Workforce Initiative. The Initiative shall provide medical, 31  
dental, behavioral health, physician assistant, and advanced 32  
practice nursing students with clinical rotations through 33  
federally qualified health centers. 34

#### INFANT VITALITY 35

The foregoing appropriation item 440474, Infant Vitality, 36  
shall be used to fund a multi-pronged population health approach 37  
to address infant mortality. This approach may include the 38  
following: increasing awareness; supporting data collection; 39  
analysis and interpretation to inform decision-making and ensure 40  
accountability; targeting resources where the need is greatest; 41  
and implementing quality improvement science and programming that 42  
is evidence-based or based on emerging practices. Measurable 43  
interventions may include activities related to safe sleep, 44  
community engagement, Centering Pregnancy, newborn screening, safe 45  
birth spacing, gestational diabetes, smoking cessation, 46  
breastfeeding, care coordination, and progesterone. 47

#### EMERGENCY PREPARATION AND RESPONSE 48

The foregoing appropriation item 440477, Emergency 49

Preparation and Response, shall be used to support public health emergency preparedness and response efforts at the state level or at a regional sub-level within the state, and may also be used to support data infrastructure projects related to public health emergency preparedness/response.

#### CHRONIC DISEASE/HEALTH PROMOTION

Of the unexpended, unencumbered balance of appropriation item 440468, Chronic Disease and Injury Prevention, \$380,000 at the end of fiscal year 2017 is hereby reappropriated to the foregoing appropriation item 440482, Chronic Disease/Health Promotion, for fiscal year 2018. These funds shall be used to purchase naloxone.

Of the unexpended, unencumbered balance of appropriation item 440477, Emergency Preparation and Response, \$20,000 at the end of fiscal year 2017 is hereby reappropriated to the foregoing appropriation item 440482, Chronic Disease/Health Promotion, for fiscal year 2018. These funds shall be used to purchase naloxone.

#### LUPUS AWARENESS

The foregoing appropriation item 440481, Lupus Awareness, shall be used for the Lupus Education and Awareness Program. It is the intent of the General Assembly that appropriation item 440481, Lupus Awareness, be used in fiscal year 2019 for the sole purpose of providing outreach to patients diagnosed with lupus.

#### TARGETED HEALTH CARE SERVICES-OVER 21

The foregoing appropriation item 440507, Targeted Health Care Services-Over 21, shall be used to administer the Cystic Fibrosis Program and to implement the Hemophilia Insurance Premium Payment Program. The Department of Health shall expend \$100,000 in each fiscal year to implement the Hemophilia Insurance Premium Payment Program.

The foregoing appropriation item 440507, Targeted Health Care Services-Over 21, shall also be used to provide essential medications and to pay the copayments for drugs approved by the Department of Health and covered by Medicare Part D that are dispensed to Bureau for Children with Medical Handicaps (BCMH) participants for the Cystic Fibrosis Program.

The Department shall expend all of these funds.

#### LEAD ABATEMENT

The foregoing appropriation item 440527, Lead Abatement, shall be used by the Department of Health to distribute funds to the city of Toledo for lead-based paint abatement, containment, and housing rehabilitation projects in the historic south neighborhoods of Toledo. In order to receive funding, the city of Toledo shall provide documentation showing the amount of nonprofit or private sector dollars the city has collected for each project. These nonprofit or private sector dollars must be collected during the same state fiscal year that funds are to be awarded. The amount distributed by the Department of Health for each project shall be equal to the amount documented. The total amount distributed by the Department of Health shall not exceed \$150,000 in each fiscal year. The city may use these funds to provide grants to owner-occupied or rental properties. Grants shall be awarded by the city in consultation with the Historic South Initiative.

Not later than July 1 each year, the city of Toledo shall issue a report to the Department of Health providing information regarding the effectiveness of the funds distributed and any other information requested by the Department.

#### FEE SUPPORTED PROGRAMS

Of the foregoing appropriation item 440647, Fee Supported 108  
 Programs, \$2,160,000 in each fiscal year shall be used to 109  
 distribute subsidies to local health departments on a per capita 110  
 basis. 111

CASH TRANSFER FROM THE GENERAL OPERATIONS FUND TO THE CENTRAL 112  
 SUPPORT INDIRECT COSTS FUND 113

On July 1, 2018, or as soon as possible thereafter, the 114  
 Director of Budget and Management may transfer up to \$400,000 cash 115  
 from the General Operations Fund (Fund 4700) to the Central 116  
 Support Indirect Costs Fund (Fund 2110). Any transferred cash is 117  
 hereby appropriated. 118

MEDICALLY HANDICAPPED CHILDREN AUDIT 119

The Medically Handicapped Children Audit Fund (Fund 4770) 120  
 shall receive revenue from audits of hospitals and recoveries from 121  
 third-party payers. Moneys may be expended for payment of audit 122  
 settlements and for costs directly related to obtaining recoveries 123  
 from third-party payers and for encouraging Medically Handicapped 124  
 Children's Program recipients to apply for third-party benefits. 125  
 Moneys also may be expended for payments for diagnostic and 126  
 treatment services on behalf of medically handicapped children, as 127  
 defined in division (A) of section 3701.022 of the Revised Code, 128  
 and Ohio residents who are twenty-one or more years of age and who 129  
 are suffering from cystic fibrosis or hemophilia. Moneys may also 130  
 be expended for administrative expenses incurred in operating the 131  
 Medically Handicapped Children's Program. 132

GENETICS SERVICES 133

The foregoing appropriation item 440608, Genetics Services, 134  
 shall be used by the Department of Health to administer programs 135  
 authorized by sections 3701.501 and 3701.502 of the Revised Code. 136

None of these funds shall be used to counsel or refer for	137
abortion, except in the case of a medical emergency.	138
TOBACCO USE PREVENTION CESSATION AND ENFORCEMENT	139
Of the foregoing appropriation item 440656, Tobacco Use	140
Prevention Cessation and Enforcement, \$750,000 in each fiscal year	141
shall be used to award grants in accordance with the section of	142
this act entitled "MOMS QUIT FOR TWO GRANT PROGRAM."	143
Of the foregoing appropriation item 440656, Tobacco Use	144
Prevention Cessation and Enforcement, \$250,000 in each fiscal year	145
shall be distributed to boards of health for the Baby and Me	146
Tobacco Free Program. The Director of Health shall determine how	147
the funds are to be distributed, but shall prioritize awards to	148
boards that serve women who reside in communities that have the	149
highest infant mortality rates in this state, as identified under	150
section 3701.142 of the Revised Code.	151
MEDICALLY HANDICAPPED CHILDREN - COUNTY ASSESSMENTS	152
The foregoing appropriation item 440607, Medically	153
Handicapped Children - County Assessments, shall be used to make	154
payments under division (E) of section 3701.023 of the Revised	155
Code.	156
TOXICOLOGY SCREENINGS	157
The foregoing appropriation item 440621, Toxicology	158
Screenings, shall be used in accordance with division (G)(1) of	159
section 757.20 of this act."	160
In line 304, after "Sections" insert "291.20,"; after	161
"337.50" insert a comma	162

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Department of Health	163
Sections 6 and 7 (amends Section 291.20 of Am. Sub. H.B. 49 of the 132nd General Assembly)	164 165
Specifies that it is the intent of the General Assembly that GRF appropriation item 440481, Lupus Awareness, be used in FY 2019 for the sole purpose of providing outreach to patients diagnosed with lupus.	166 167 168 169

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, delete "and" and insert a comma; 1  
after "381.371" insert ", and 512.12" 2

In line 147, delete "and" and insert a comma; after "381.371" 3  
insert ", and 512.12" 4

Between lines 303 and 304, insert: 5

"**Sec. 512.12.** CASH ~~TRANSERS~~ TRANSFERS TO THE GENERAL REVENUE 6  
FUND FROM SELECTED NON-GRF FUNDS 7

Notwithstanding any provision of law to the contrary, in each 8  
fiscal year of the biennium ending June 30, 2019, the Director of 9  
Budget and Management may transfer cash from any funds that are 10  
not otherwise constitutionally restricted and that are used by the 11  
Department of Commerce, the Environmental Protection Agency, the 12  
Department of Insurance, the Office of the Consumers' Counsel, ~~the~~ 13  
~~Bureau of Workers' Compensation, the Ohio Industrial Commission,~~ 14  
the Public Utilities Commission, or the State Racing Commission, 15  
an amount equaling up to two per cent of each fund's total fiscal 16  
year 2017 appropriation to the General Revenue Fund. These 17  
transfers may be made by intrastate transfer voucher. The 18  
transfers authorized under this section shall not affect any 19  
calculations required by those agencies to allocate or assess 20

costs or charges and collection of revenue pursuant to law." 21

In line 304, delete "and" and insert a comma; after "381.371" 22

insert ", and 512.12" 23

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Cash Transfers to the GRF from non-GRF Funds** 24

**Section 6** 25

Removes the Bureau of Workers' Compensation (BWC) and Ohio 26

Industrial Commission (OIC) from the agencies that operate funds 27

from which the Director of Budget and Management may transfer cash 28

to the General Revenue Fund (GRF). 29

Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, delete "and" and insert a comma;	1
after "381.371" insert ", 395.10, and 395.20"	2
In line 147, delete "and" and insert a comma; after "381.371"	3
insert ", 395.10, and 395.20"	4
Between lines 303 and 304, insert:	5
<b>"Sec. 395.10. SOS SECRETARY OF STATE</b>	6
Dedicated Purpose Fund Group	7
4120 050609 Notary Commission \$ 475,000 \$ 475,000	8
4S80 050610 Board of Voting \$ 7,200 \$ 7,200	9
Machine Examiners	
5990 050603 Business Services \$ <del>14,385,400</del> \$ <del>14,385,400</del>	10
Operating Expenses <u>14,520,400</u> <u>14,520,400</u>	
5990 050629 Statewide Voter \$ 700,000 \$ 700,000	11
Registration Database	
5990 050630 Elections Support \$ 2,144,030 \$ 2,144,030	12
Supplement	
5990 050631 Precinct Election \$ 234,196 \$ 234,196	13
Officials Training	
5FG0 050620 BOE Reimbursement and \$ 80,000 \$ 80,000	14
Education	
5SN0 050626 Address \$ 100,000 \$ 100,000	15

Confidentiality							
TOTAL DPF Dedicated Purpose Fund Group			\$	<del>18,125,826</del> <u>18,260,826</u>	\$	<del>18,125,826</del> <u>18,260,826</u>	16
Holding Account Fund Group							17
R001	050605	Uniform Commercial Code Refunds	\$	30,000	\$	30,000	18
R002	050606	Corporate/Business Filing Refunds	\$	85,000	\$	85,000	19
TOTAL HLD Holding Account Fund Group			\$	115,000	\$	115,000	20
Federal Fund Group							21
3AS0	050616	Help America Vote Act (HAVA)	\$	16,000	\$	0	22
3FM0	050624	Miscellaneous Federal Grants	\$	8,600	\$	4,400	23
TOTAL FED Federal Fund Group			\$	24,600	\$	4,400	24
TOTAL ALL BUDGET FUND GROUPS			\$	<del>18,265,426</del> <u>18,400,426</u>	\$	<del>18,245,226</del> <u>18,380,226</u>	25

**Sec. 395.20. CITIZEN EDUCATION PRECINCT ELECTION OFFICIAL** 27

TRAINING 28

At the end of FY 2017, an amount equal to the unexpended, 29

unencumbered portion of appropriation item 050602, Citizen 30

Education (Fund 4140) is hereby reappropriated in fiscal year 2018 31

for the same purpose. 32

The foregoing appropriation item 050631, Precinct Election 33

Official Training, shall be used to reimburse county boards of 34

elections for precinct election official (PEO) training pursuant 35

to section 3501.27 of the Revised Code. At the end of fiscal year 36

2018, an amount equal to the unexpended, unencumbered portion of 37

the foregoing appropriation item 050631, Precinct Election 38  
Official Training, is hereby reappropriated in fiscal year 2019 39  
for the same purpose. 40

BOARD OF VOTING MACHINE EXAMINERS 41

The foregoing appropriation item 050610, Board of Voting 42  
Machine Examiners, shall be used to pay for the services and 43  
expenses of the members of the Board of Voting Machine Examiners, 44  
and for other expenses that are authorized to be paid from the 45  
Board of Voting Machine Examiners Fund (Fund 4S80) created in 46  
section 3506.05 of the Revised Code. Moneys not used shall be 47  
returned to the person or entity submitting equipment for 48  
examination. If it is determined by the Secretary of State that 49  
additional appropriation amounts are necessary, the Secretary of 50  
State may request that the Director of Budget and Management 51  
approve such amounts. Such amounts are hereby appropriated. 52

BUSINESS SERVICES OPERATING EXPENSES 53

A portion of the foregoing appropriation item 050603, 54  
Business Services Operating Expenses, shall be used in each fiscal 55  
year to pay the costs associated with the use of space in 56  
Department of Administrative Services facilities at the State of 57  
Ohio Computer Center. 58

HOLDING ACCOUNT FUND GROUP 59

The foregoing appropriation items 050605, Uniform Commercial 60  
Code Refunds, and 050606, Corporate/Business Filing Refunds, shall 61  
be used to hold revenues until they are directed to the 62  
appropriate accounts or until they are refunded. If it is 63  
determined by the Secretary of State that additional appropriation 64  
amounts are necessary, the Secretary of State may request that the 65  
Director of Budget and Management approve such amounts. Such 66

amounts are hereby appropriated. 67

MISCELLANEOUS FEDERAL GRANTS 68

Appropriation item 050624, Miscellaneous Federal Grants, 69  
shall be used to support programs that are supported by federal 70  
grants deposited into the Miscellaneous Federal Grants Fund (Fund 71  
3FM0) pursuant to Section 111.28 of the Revised Code. 72

ADDRESS CONFIDENTIALITY PROGRAM 73

Upon the request of the Secretary of State, the Director of 74  
Budget and Management may transfer up to \$50,000 per fiscal year 75  
in cash from the Business Services Operating Expenses Fund (Fund 76  
5990) to the Address Confidentiality Program Fund (Fund 5SN0). 77

LITIGATION RELATED EXPENSES 78

Upon the request of the Secretary of State, the Director of 79  
Budget and Management may transfer cash and appropriation from any 80  
fund and appropriation item used by the Secretary of State to 81  
Litigation Related Expenses Fund (Fund 5QE0) appropriation item 82  
050625, Litigation Related Expenses, or Business Services 83  
Operating Expenses Fund (Fund 5990) appropriation item 050628, 84  
Litigation Related Expenses. The amounts transferred shall be used 85  
to pay for any expenses related to lawsuits or legal proceedings 86  
against the Secretary of State. 87

ABSENT VOTER'S BALLOT APPLICATION MAILING 88

Notwithstanding Division (B) of Section 111.31 of the Revised 89  
Code, upon the request of the Secretary of State, the Controlling 90  
Board shall approve cash transfers from the Controlling Board 91  
Emergency Purposes/Contingencies Fund (Fund 5KM0) to the Absent 92  
Voter's Ballot Application Mailing Fund (Fund 5RG0) to be used by 93  
the Secretary of State to pay the costs of printing and mailing 94  
unsolicited applications for absent voters' ballots for the 95

general election to be held in November 2018. Such amounts are	96
hereby appropriated.	97
 BALLOT ADVERTISING COSTS	 98
Notwithstanding Division (G) of Section 3501.17 of the	99
Revised Code, upon requests submitted by the Secretary of State,	100
the Controlling Board may approve transfers from the Controlling	101
Board Emergency Purposes/Contingencies Fund (Fund 5KM0) to the	102
Statewide Ballot Advertising Fund (Fund 5FH0) in order to pay for	103
the cost of public notices associated with statewide ballot	104
initiatives."	105
 In line 304, delete "and" and insert a comma; after "381.371"	 106
insert ", 395.10, and 395.20"	107

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

<b>SOS Computer Expenses</b>	108
<b>Section 6.</b>	109
Increases Dedicated Purpose Fund 5990 appropriation item	110
050603, Business Services Operating Expenses, by \$135,000 in each	111
fiscal year. Requires a portion of the appropriation item to be	112
used by the Secretary of State to pay the costs associated with	113
the use of space in the Department of Administrative Services	114
facilities at the State of Ohio Computer Center.	115

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend section 1  
5902.02, to"; after "3318.39" insert ", and to repeal section 2  
126.211" 3

In line 2 of the title, delete "and" and insert a comma; 4  
after "381.371" insert ", and 413.50" 5

In line 8 of the title, after the comma insert "to modify the 6  
veterans organizations grant program," 7

In line 11, after "section" insert "5902.02 be amended and 8  
section" 9

Between lines 86 and 87, insert: 10

"**Sec. 5902.02.** The duties of the director of veterans 11  
services shall include the following: 12

(A) Furnishing the veterans service commissions of all 13  
counties of the state copies of the state laws, rules, and 14  
legislation relating to the operation of the commissions and their 15  
offices; 16

(B) Upon application, assisting the general public in 17  
obtaining records of vital statistics pertaining to veterans or 18  
their dependents; 19

(C) Adopting rules pursuant to Chapter 119. of the Revised 20  
Code pertaining to minimum qualifications for hiring, certifying, 21  
and accrediting county veterans service officers, pertaining to 22  
their required duties, and pertaining to revocation of the 23  
certification of county veterans service officers; 24

(D) Adopting rules pursuant to Chapter 119. of the Revised 25  
Code for the education, training, certification, and duties of 26  
veterans service commissioners and for the revocation of the 27  
certification of a veterans service commissioner; 28

(E) Developing and monitoring programs and agreements 29  
enhancing employment and training for veterans in single or 30  
multiple county areas; 31

(F) Developing and monitoring programs and agreements to 32  
enable county veterans service commissions to address 33  
homelessness, indigency, and other veteran-related issues 34  
individually or jointly; 35

(G) Developing and monitoring programs and agreements to 36  
enable state agencies, individually or jointly, that provide 37  
services to veterans, including the veterans' homes operated under 38  
Chapter 5907. of the Revised Code and the director of job and 39  
family services, to address homelessness, indigency, employment, 40  
and other veteran-related issues; 41

(H) Establishing and providing statistical reporting formats 42  
and procedures for county veterans service commissions; 43

(I) Publishing electronically a listing of county veterans 44  
service offices and county veterans service commissioners. The 45  
listing shall include the expiration dates of commission members' 46  
terms of office and the organizations they represent; the names, 47  
addresses, and telephone numbers of county veterans service 48

offices; and the addresses and telephone numbers of the Ohio  
offices and headquarters of state and national veterans service  
organizations.

(J) Establishing a veterans advisory committee to advise and  
assist the department of veterans services in its duties. Members  
shall include a member of the national guard association of the  
United States who is a resident of this state, a member of the  
military officers association of America who is a resident of this  
state, a state representative of congressionally chartered  
veterans organizations referred to in section 5901.02 of the  
Revised Code, a representative of any other congressionally  
chartered state veterans organization that has at least one  
veterans service commissioner in the state, three representatives  
of the Ohio state association of county veterans service  
commissioners, who shall have a combined vote of one, three  
representatives of the state association of county veterans  
service officers, who shall have a combined vote of one, one  
representative of the county commissioners association of Ohio,  
who shall be a county commissioner not from the same county as any  
of the other county representatives, a representative of the  
advisory committee on women veterans, a representative of a labor  
organization, and a representative of the office of the attorney  
general. The department of veterans services shall submit to the  
advisory committee proposed rules for the committee's operation.  
The committee may review and revise these proposed rules prior to  
submitting them to the joint committee on agency rule review.

(K) Adopting, with the advice and assistance of the veterans  
advisory committee, policy and procedural guidelines that the  
veterans service commissions shall adhere to in the development  
and implementation of rules, policies, procedures, and guidelines  
for the administration of Chapter 5901. of the Revised Code. The

department of veterans services shall adopt no guidelines or rules  
regulating the purposes, scope, duration, or amounts of financial  
assistance provided to applicants pursuant to sections 5901.01 to  
5901.15 of the Revised Code. The director of veterans services may  
obtain opinions from the office of the attorney general regarding  
rules, policies, procedures, and guidelines of the veterans  
service commissions and may enforce compliance with Chapter 5901.  
of the Revised Code.

(L) Receiving copies of form DD214 filed in accordance with  
the director's guidelines adopted under division (L) of this  
section from members of veterans service commissions appointed  
under section 5901.02 and from county veterans service officers  
employed under section 5901.07 of the Revised Code;

(M) Developing and maintaining and improving a resource, such  
as a telephone answering point or a web site, by means of which  
veterans and their dependents, through a single portal, can access  
multiple sources of information and interaction with regard to the  
rights of, and the benefits available to, veterans and their  
dependents. The director of veterans services may enter into  
agreements with state and federal agencies, with agencies of  
political subdivisions, with state and local instrumentalities,  
and with private entities as necessary to make the resource as  
complete as is possible.

(N) Planning, organizing, advertising, and conducting  
outreach efforts, such as conferences and fairs, at which veterans  
and their dependents may meet, learn about the organization and  
operation of the department of veterans services and of veterans  
service commissions, and obtain information about the rights of,  
and the benefits and services available to, veterans and their  
dependents;

(O) Advertising, in print, on radio and television, and	110
otherwise, the rights of, and the benefits and services available	111
to, veterans and their dependents;	112
(P) Developing and advocating improved benefits and services	113
for, and improved delivery of benefits and services to, veterans	114
and their dependents;	115
(Q) Searching for, identifying, and reviewing statutory and	116
administrative policies that relate to veterans and their	117
dependents and reporting to the general assembly statutory and	118
administrative policies that should be consolidated in whole or in	119
part within the organization of the department of veterans	120
services to unify funding, delivery, and accounting of statutory	121
and administrative policy expressions that relate particularly to	122
veterans and their dependents;	123
(R) Encouraging veterans service commissions to innovate and	124
otherwise to improve efficiency in delivering benefits and	125
services to veterans and their dependents and to report successful	126
innovations and efficiencies to the director of veterans services;	127
(S) Publishing and encouraging adoption of successful	128
innovations and efficiencies veterans service commissions have	129
achieved in delivering benefits and services to veterans and their	130
dependents;	131
(T) Establishing advisory committees, in addition to the	132
veterans advisory committee established under division (K) of this	133
section, on veterans issues;	134
(U) Developing and maintaining a relationship with the United	135
States department of veterans affairs, seeking optimal federal	136
benefits and services for Ohio veterans and their dependents, and	137
encouraging veterans service commissions to maximize the federal	138

benefits and services to which veterans and their dependents are	139
entitled;	140
(V) Developing and maintaining relationships with the several	141
veterans organizations, encouraging the organizations in their	142
efforts at assisting veterans and their dependents, and advocating	143
for adequate state subsidization of the organizations;	144
(W) Requiring the several veterans organizations that receive	145
funding from the state annually, not later than the thirtieth day	146
of July, to report to the director of veterans services and	147
prescribing the form and content of the report;	148
(X) Reviewing the reports submitted to the director under	149
division (W) of this section within thirty days of receipt and	150
informing the veterans organization of any deficiencies that exist	151
in the organization's report and that funding will not be released	152
until the deficiencies have been corrected and a satisfactory	153
report submitted;	154
(Y) <del>Advising the director of budget and management</del> <u>Releasing</u>	155
<u>funds and processing payments to veterans organizations</u> when a	156
report submitted to the director under division (W) of this	157
section has been reviewed and determined to be satisfactory;	158
(Z) Furnishing copies of all reports that the director of	159
veterans services has determined have been submitted	160
satisfactorily under division (W) of this section to the	161
chairperson of the finance committees of the general assembly;	162
(AA) Investigating complaints against county veterans	163
services commissioners and county veterans service officers if the	164
director reasonably believes the investigation to be appropriate	165
and necessary;	166
(BB) Developing and maintaining a web site that is accessible	167

by veterans and their dependents and provides a link to the web	168
site of each state agency that issues a license, certificate, or	169
other authorization permitting an individual to engage in an	170
occupation or occupational activity;	171
(CC) Encouraging state agencies to conduct outreach efforts	172
through which veterans and their dependents can learn about	173
available job and education benefits;	174
(DD) Informing state agencies about changes in statutes and	175
rules that affect veterans and their dependents;	176
(EE) Assisting licensing agencies in adopting rules under	177
section 5903.03 of the Revised Code;	178
(FF) Administering the provision of grants from the military	179
injury relief fund under section 5902.05 of the Revised Code;	180
(GG) Taking any other actions required by this chapter.	181
 <b>Section 2.</b> That existing section 5902.02 and section 126.211	182
of the Revised Code are hereby repealed."	183
In line 87, delete "2." and insert "3."	184
In line 94, delete "3." and insert "4."	185
In line 118, delete "4." and insert "5."	186
In line 136, delete "5." and insert "6."	187
In line 147, delete "6." and insert "7."; delete "and" and	188
insert a comma; after "381.371" insert ", and 413.50"	189
Between lines 303 and 304, insert:	190
 " <b>Sec. 413.50.</b> VTO VETERANS' ORGANIZATIONS	191
General Revenue Fund	192
VAP AMERICAN EX-PRISONERS OF WAR	193

GRF	743501	State Support	\$	28,910	\$	28,910	194
		VAN ARMY AND NAVY UNION, USA, INC.					195
GRF	746501	State Support	\$	63,539	\$	63,539	196
		VKW KOREAN WAR VETERANS					197
GRF	747501	State Support	\$	57,118	\$	57,118	198
		VJW JEWISH WAR VETERANS					199
GRF	748501	State Support	\$	34,321	\$	34,321	200
		VCW CATHOLIC WAR VETERANS					201
GRF	749501	State Support	\$	66,978	\$	66,978	202
		VPH MILITARY ORDER OF THE PURPLE HEART					203
GRF	750501	State Support	\$	65,116	\$	65,116	204
		VVV VIETNAM VETERANS OF AMERICA					205
GRF	751501	State Support	\$	214,776	\$	214,776	206
		VAL AMERICAN LEGION OF OHIO					207
GRF	752501	State Support	\$	349,189	\$	349,189	208
		VII AMVETS					209
GRF	753501	State Support	\$	332,547	\$	332,547	210
		VAV DISABLED AMERICAN VETERANS					211
GRF	754501	State Support	\$	249,836	\$	249,836	212
		VMC MARINE CORPS LEAGUE					213
GRF	756501	State Support	\$	133,947	\$	133,947	214
		V37 37TH DIVISION VETERANS' ASSOCIATION					215
GRF	757501	State Support	\$	6,868	\$	6,868	216
		VFW VETERANS OF FOREIGN WARS					217
GRF	758501	State Support	\$	284,841	\$	284,841	218
TOTAL GRF	General Revenue Fund		\$	1,887,986	\$	1,887,986	219
TOTAL ALL BUDGET FUND GROUPS			\$	1,887,986	\$	1,887,986	220
<del>RELEASE OF FUNDS</del>							221
<del>The Director of Budget and Management may release the</del>							222
<del>foregoing appropriation items 743501, 746501, 747501, 748501,</del>							223
<del>749501, 750501, 751501, 752501, 753501, 754501, 756501, 757501,</del>							224

and 758501, State Support." 225

In line 304, delete "7." and insert "8."; delete "and" and 226

insert a comma; after "381.371" insert ", and 413.50" 227

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Veterans organizations grant program** 228

**R.C. 126.211 (repealed) and 5902.02; Section 7** 229

Repeals the current law requirement for the Director of 230

Budget and Management to receive a report from the Director of 231

Veterans Services before releasing funds to a veterans 232

organization. 233

Requires the Director of Veterans Services to release funds 234

and process payments to veterans organizations when a veterans 235

organization properly submits a required report, instead of only 236

advising the Director of Budget and Management that a report has 237

been submitted, who then releases the funds. 238

Removes a temporary law provision that permits the Director 239

of Budget and Management to release the money in each 240

appropriation item to the designated veterans organization. 241

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend sections 1  
311.29, 1901.32, and 1907.53, to"; delete "section" and insert 2  
"sections 1901.321, 1907.531, and"; after "Code" insert a comma 3

In line 8 of the title, after "facility," insert "to allow 4  
county sheriffs to contract with municipal courts and county 5  
courts for the transportation of persons between the county jail 6  
and a county court or municipal court, to make deputy sheriffs ex 7  
officio bailiffs of county courts and municipal courts," 8

In line 11, delete "section" and insert "sections 311.29, 9  
1901.32, and 1907.53 be amended and sections 1901.321, 1907.531, 10  
and" 11

Between lines 12 and 13, insert: 12

"**Sec. 311.29.** (A) As used in this section: 13

(1) "Chartered nonpublic school" has the same meaning defined 14  
in section 3310.01 of the Revised Code. 15

(2) "Chautauqua assembly" has the same meaning as in section 16  
4511.90 of the Revised Code. 17

(3) "Community preventative education program" has the 18  
meaning defined in division (D) of section 2981.13 of the Revised 19  
Code. 20

(4) "Community school" means a community school established 21  
under Chapter 3314. of the Revised Code. 22

(B) The sheriff may, from time to time, enter into contracts 23  
with any municipal corporation, township, township police 24  
district, joint police district, metropolitan housing authority, 25  
port authority, water or sewer district, school district, 26  
community school governing authority, library district, health 27  
district, park district created pursuant to section 511.18 or 28  
1545.01 of the Revised Code, soil and water conservation district, 29  
water conservancy district, or other taxing district or with the 30  
board of county commissioners of any contiguous county with the 31  
concurrence of the sheriff of the other county, and such 32  
subdivisions, authorities, and counties may enter into agreements 33  
with the sheriff pursuant to which the sheriff undertakes and is 34  
authorized by the contracting subdivision, authority, or county to 35  
perform any police function, exercise any police power, or render 36  
any police service in behalf of the contracting subdivision, 37  
authority, or county, or its legislative authority, that the 38  
subdivision, authority, or county, or its legislative authority, 39  
may perform, exercise, or render. 40

Upon the execution of an agreement under this division and 41  
within the limitations prescribed by it, the sheriff may exercise 42  
the same powers as the contracting subdivision, authority, or 43  
county possesses with respect to such policing that by the 44  
agreement the sheriff undertakes to perform or render, and all 45  
powers necessary or incidental thereto, as amply as such powers 46  
are possessed and exercised by the contracting subdivision, 47  
authority, or county directly. 48

Any agreement authorized by division (A), (B), or (C) of this 49  
section shall not suspend the possession by a contracting 50

subdivision, authority, or county of any police power performed or  
exercised or police service rendered in pursuance to the agreement  
nor limit the authority of the sheriff.

(C) The sheriff may enter into contracts with any Chautauqua  
assembly that has grounds located within the county, and the  
Chautauqua assembly may enter into agreements with the sheriff  
pursuant to which the sheriff undertakes to perform any police  
function, exercise any police power, or render any police service  
upon the grounds of the Chautauqua assembly that the sheriff is  
authorized by law to perform, exercise, or render in any other  
part of the county within the sheriff's territorial jurisdiction.  
Upon the execution of an agreement under this division, the  
sheriff may, within the limitations prescribed by the agreement,  
exercise such powers with respect to such policing upon the  
grounds of the Chautauqua assembly, provided that any limitation  
contained in the agreement shall not be construed to limit the  
authority of the sheriff.

(D) Contracts entered into under division (A), (B), (C), or  
(F) of this section shall provide for the reimbursement of the  
county for the costs incurred by the sheriff for such policing  
including, but not limited to, the salaries of deputy sheriffs  
assigned to such policing, the current costs of funding retirement  
pensions and of providing workers' compensation, the cost of  
training, and the cost of equipment and supplies used in such  
policing, to the extent that such equipment and supplies are not  
directly furnished by the contracting subdivision, authority,  
county, or Chautauqua assembly. Each such contract shall provide  
for the ascertainment of such costs and shall be of any duration,  
not in excess of four years, and may contain any other terms that  
may be agreed upon. All payments pursuant to any such contract in  
reimbursement of the costs of such policing shall be made to the

treasurer of the county to be credited to a special fund to be  
known as the "sheriff's policing revolving fund," hereby created.  
Any moneys coming into the fund shall be used for the purposes  
provided in divisions (A) to (D) and (F) of this section and paid  
out on vouchers by the county commissioners as other funds coming  
into their possession. Any moneys credited to the fund and not  
obligated at the termination of the contract shall be credited to  
the county general fund.

The sheriff shall assign the number of deputies as may be  
provided for in any contract made pursuant to division (A), (B),  
(C), or (F) of this section. The number of deputies regularly  
assigned to such policing shall be in addition to and an  
enlargement of the sheriff's regular number of deputies. Nothing  
in divisions (A) to (D) or (F) of this section shall preclude the  
sheriff from temporarily increasing or decreasing the deputies so  
assigned as emergencies indicate a need for shifting assignments  
to the extent provided by the contracts.

All such deputies shall have the same powers and duties, the  
same qualifications, and be appointed and paid and receive the  
same benefits and provisions and be governed by the same laws as  
all other deputy sheriffs.

Contracts under division (A), (B), (C), or (F) of this  
section may be entered into jointly with the board of county  
commissioners, and sections 307.14 to 307.19 of the Revised Code  
apply to this section insofar as they may be applicable.

(E)(1) As used in division (E) of this section:

(a) "Ohio prisoner" has the same meaning as in section  
5120.64 of the Revised Code.

(b) "Out-of-state prisoner" and "private contractor" have the

same meanings as in section 9.07 of the Revised Code.

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(2) The sheriff may enter into a contract with a private person or entity for the return of Ohio prisoners who are the responsibility of the sheriff from outside of this state to a location in this state specified by the sheriff, if there are adequate funds appropriated by the board of county commissioners and there is a certification pursuant to division (D) of section 5705.41 of the Revised Code that the funds are available for this purpose. A contract entered into under this division is within the coverage of section 325.07 of the Revised Code. If a sheriff enters into a contract as described in this division, subject to division (E)(3) of this section, the private person or entity in accordance with the contract may return Ohio prisoners from outside of this state to locations in this state specified by the sheriff. A contract entered into under this division shall include all of the following:

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(a) Specific provisions that assign the responsibility for costs related to medical care of prisoners while they are being returned that is not covered by insurance of the private person or entity;

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(b) Specific provisions that set forth the number of days, not exceeding ten, within which the private person or entity, after it receives the prisoner in the other state, must deliver the prisoner to the location in this state specified by the sheriff, subject to the exceptions adopted as described in division (E)(2)(c) of this section;

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(c) Any exceptions to the specified number of days for delivery specified as described in division (E)(2)(b) of this section;

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(d) A requirement that the private person or entity

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immediately report all escapes of prisoners who are being returned  
to this state, and the apprehension of all prisoners who are being  
returned and who have escaped, to the sheriff and to the local law  
enforcement agency of this state or another state that has  
jurisdiction over the place at which the escape occurs;

(e) A schedule of fines that the sheriff shall impose upon  
the private person or entity if the private person or entity fails  
to perform its contractual duties, and a requirement that, if the  
private person or entity fails to perform its contractual duties,  
the sheriff shall impose a fine on the private person or entity  
from the schedule of fines and, in addition, may exercise any  
other rights the sheriff has under the contract.

(f) If the contract is entered into on or after the effective  
date of the rules adopted by the department of rehabilitation and  
correction under section 5120.64 of the Revised Code, specific  
provisions that comport with all applicable standards that are  
contained in those rules.

(3) If the private person or entity that enters into the  
contract fails to perform its contractual duties, the sheriff  
shall impose upon the private person or entity a fine from the  
schedule, the money paid in satisfaction of the fine shall be paid  
into the county treasury, and the sheriff may exercise any other  
rights the sheriff has under the contract. If a fine is imposed  
under this division, the sheriff may reduce the payment owed to  
the private person or entity pursuant to any invoice in the amount  
of the fine.

(4) Upon the effective date of the rules adopted by the  
department of rehabilitation and correction under section 5120.64  
of the Revised Code, notwithstanding the existence of a contract  
entered into under division (E)(2) of this section, in no case

shall the private person or entity that is a party to the contract 171  
return Ohio prisoners from outside of this state into this state 172  
for a sheriff unless the private person or entity complies with 173  
all applicable standards that are contained in the rules. 174

(5) Divisions (E)(1) to (4) of this section do not apply 175  
regarding any out-of-state prisoner who is brought into this state 176  
to be housed pursuant to section 9.07 of the Revised Code in a 177  
correctional facility in this state that is managed and operated 178  
by a private contractor. 179

(F)(1) A sheriff may enter into contracts with a chartered 180  
nonpublic school, located in the sheriff's territorial 181  
jurisdiction, to provide community preventive education programs. 182

(2) A sheriff may enter into contracts with a private 183  
institution of higher education, located in the sheriff's 184  
territorial jurisdiction, to provide police services. 185

Under these contracts, the sheriff may undertake to perform 186  
any police function, exercise any police power, or render any 187  
police service upon the grounds of the chartered nonpublic school 188  
or private institution of higher education that the sheriff is 189  
authorized by law to perform, exercise, or render in any other 190  
part of the county within the sheriff's territorial jurisdiction. 191  
Upon the execution of a contract under this division, the sheriff 192  
may, within the limitations prescribed by the contract, exercise 193  
such powers with respect to such policing provided that any 194  
limitation contained in the contract shall not be construed to 195  
limit the authority of the sheriff. 196

(G) A sheriff may enter into contracts with a county court or 197  
a municipal court located in the sheriff's territorial 198  
jurisdiction for the transportation of persons between the county 199  
jail and a county court or municipal court. Each contract shall 200

provide for the costs of providing transportation services from  
the county jail to the court and shall not apply to a period in  
excess of four years.

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**Sec. 1901.32.** (A) The bailiffs and deputy bailiffs of a  
municipal court shall be provided for, and their duties are, as  
follows:

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(1) Except for the Hamilton county municipal court, the court  
shall appoint a bailiff who shall receive the annual compensation  
that the court prescribes payable in either biweekly installments  
or semimonthly installments, as determined by the payroll  
administrator, from the same sources and in the same manner as  
provided in section 1901.11 of the Revised Code. The court may  
provide that the chief of police of the municipal corporation or a  
member of the police force be appointed by the court to be the  
bailiff of the court. Before entering upon the duties of office,  
the bailiff shall take an oath to faithfully perform the duties of  
the office and shall give a bond of not less than three thousand  
dollars, as the legislative authority prescribes, conditioned for  
the faithful performance of the duties of chief bailiff.

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(2) Except for the Hamilton county municipal court, deputy  
bailiffs may be appointed by the court. Deputy bailiffs shall  
receive the compensation payable in semimonthly installments out  
of the city treasury that the court prescribes, except that the  
compensation of deputy bailiffs in a county-operated municipal  
court shall be paid out of the treasury of the county in which the  
court is located. Each deputy bailiff shall give a bond in an  
amount not less than one thousand dollars, and, when so qualified,  
may perform the duties pertaining to the office of chief bailiff  
of the court.

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(3) The bailiff and all deputy bailiffs of the Hamilton  
county municipal court shall be appointed by the clerk and shall  
receive the compensation payable in semimonthly installments out  
of the treasury of Hamilton county that the clerk prescribes. Each  
judge of the Hamilton county municipal court may appoint a  
courtroom bailiff, each of whom shall receive the compensation  
payable in semimonthly installments out of the treasury of  
Hamilton county that the court prescribes.

(4) The legislative authority may purchase motor vehicles for  
the use of the bailiffs and deputy bailiffs as the court  
determines they need to perform the duties of their office. All  
expenses, maintenance, and upkeep of the vehicles shall be paid by  
the legislative authority upon approval by the court. Any  
allowances, costs, and expenses for the operation of private motor  
vehicles by bailiffs and deputy bailiffs for official duties,  
including the cost of oil, gasoline, and maintenance, shall be  
prescribed by the court and, subject to the approval of the  
legislative authority, shall be paid from the city treasury,  
except that the allowances, costs, and expenses for the bailiffs  
and deputy bailiffs of a county-operated municipal court shall be  
paid from the treasury of the county in which the court is  
located.

(5) Every police officer of any municipal corporation and  
police constable of a township within the territory of the court  
is ex officio a deputy bailiff of the court in and for the  
municipal corporation or township in which commissioned as a  
police officer or police constable, and shall perform any duties  
in respect to cases within the officer's or constable's  
jurisdiction that are required by a judge of the court, or by the  
clerk or a bailiff or deputy bailiff of the court, without  
additional compensation.

(6) In ~~Putnam county~~, in addition to the persons who are ex 261  
officio deputy bailiffs under division (A)(5) of this section, 262  
every deputy sheriff of ~~Putnam~~ a county is ex officio a deputy 263  
bailiff of ~~the Putnam county~~ a municipal court within the county 264  
and shall perform without additional compensation any duties in 265  
respect to cases within the ~~deputy sheriff's court's~~ jurisdiction 266  
that are required by a judge of the court, by the clerk of the 267  
court, or by a bailiff or deputy bailiff of the court. 268

(7) The bailiff and deputy bailiffs shall perform for the 269  
court services similar to those performed by the sheriff for the 270  
court of common pleas and shall perform any other duties that are 271  
requested by rule of court. 272

The bailiff or deputy bailiff may administer oaths to 273  
witnesses and jurors and receive verdicts in the same manner and 274  
form and to the same extent as the clerk or deputy clerks of the 275  
court. The bailiff may approve all undertakings and bonds given in 276  
actions of replevin and all redelivery bonds in attachments. 277

(B) In the Cleveland municipal court, the chief clerks and 278  
all deputy clerks are in the classified civil service of the city 279  
of Cleveland. The clerk, the chief deputy clerks, the probation 280  
officers, one private secretary, one personal stenographer to the 281  
clerk, and one personal bailiff to each judge are in the 282  
unclassified civil service of the city of Cleveland. Upon demand 283  
of the clerk, the civil service commission of the city of 284  
Cleveland shall certify a list of those eligible for the position 285  
of deputy clerk. From the list, the clerk shall designate chief 286  
clerks and the number of deputy clerks that the legislative 287  
authority determines are necessary. 288

Except as otherwise provided in this division, the bailiff, 289  
chief deputy bailiffs, and all deputy bailiffs of the Cleveland 290

municipal court appointed after January 1, 1968, and the chief  
housing specialist, housing specialists, and housing division  
referees of the housing division of the Cleveland municipal court  
appointed under section 1901.331 of the Revised Code are in the  
unclassified civil service of the city of Cleveland. All deputy  
bailiffs of the housing division of the Cleveland municipal court  
appointed pursuant to that section are in the classified civil  
service of the city of Cleveland. Upon the demand of the judge of  
the housing division of the Cleveland municipal court, the civil  
service commission of the city of Cleveland shall certify a list  
of those eligible for the position of deputy bailiff of the  
housing division. From the list, the judge of the housing division  
shall designate the number of deputy bailiffs that the judge  
determines are necessary.

The chief deputy clerks, the chief clerks, and all other  
deputy clerks of the Cleveland municipal court shall receive the  
compensation that the clerk prescribes. Except as provided in  
division (A)(4)(a) of section 1901.331 of the Revised Code with  
respect to officers and employees of the housing division of the  
Cleveland municipal court, the bailiff, all deputy bailiffs, and  
assignment room personnel of the Cleveland municipal court shall  
receive the compensation that the court prescribes.

Any appointee under sections 1901.01 to 1901.37 of the  
Revised Code may be dismissed or discharged by the same power that  
appointed the appointee. In the case of the removal of any civil  
service appointee under those sections, an appeal may be taken  
from the decision of the civil service commission to the court of  
common pleas of Cuyahoga county to determine the sufficiency of  
the cause of removal. The appeal shall be taken within ten days of  
the finding of the commission.

In the Cleveland municipal court, the presiding judge may 321  
appoint on a full-time, per diem, or contractual basis any 322  
official court reporters for the civil branch of the court that 323  
the business of the court requires. The compensation of official 324  
court reporters shall be determined by the presiding judge of the 325  
court. The compensation shall be payable from the city treasury 326  
and from the treasury of Cuyahoga county in the same proportion as 327  
designated in section 1901.11 of the Revised Code for the payment 328  
of compensation of municipal judges. In every trial in which the 329  
services of a court reporter so appointed are requested by the 330  
judge, any party, or the attorney for any party, there shall be 331  
taxed for each day's services of the court reporter a fee in the 332  
same amount as may be taxed for similar services in the court of 333  
common pleas under section 2301.21 of the Revised Code, to be 334  
collected as other costs in the case. The fees so collected shall 335  
be paid quarterly by the clerk into the city treasury and the 336  
treasury of Cuyahoga county in the same proportion as the 337  
compensation for the court reporters is paid from the city and 338  
county treasuries and shall be credited to the general funds of 339  
the city and county treasuries. 340

(C) In the Hamilton county municipal court, all employees, 341  
including the bailiff, deputy bailiff, and courtroom bailiffs, are 342  
in the unclassified civil service. 343

Sec. 1901.321. A municipal court may enter into contracts 344  
with a county sheriff whose territorial jurisdiction includes the 345  
municipal court for the transportation of persons between the 346  
county jail and the municipal court. Each contract shall provide 347  
for the costs of providing transportation services from the county 348  
jail to the court and shall not apply to a period in excess of 349  
four years. 350

**Sec. 1907.53.** (A)(1) Each judge of a county court may appoint  
a bailiff on a full-time or part-time basis. The bailiff shall  
receive compensation as prescribed by the appointing judge, and  
the compensation is payable in semimonthly installments from the  
treasury of the county or other authorized fund. Before entering  
upon the duties of the office, a bailiff shall take an oath to  
faithfully perform those duties and shall give a bond of not less  
than three thousand dollars, as the appointing judge prescribes,  
conditioned on the faithful performance of the duties as bailiff.

(2) The board of county commissioners may purchase motor  
vehicles for the use of the bailiff that the court determines  
necessary to perform the duties of the office. The board, upon  
approval by the court, shall pay all expenses, maintenance, and  
upkeep of the vehicles from the county treasury or other  
authorized fund. Any allowances, costs, and expenses for the  
operation of private motor vehicles by the bailiffs for official  
duties, including the cost of oil, gasoline, and maintenance,  
shall be prescribed by the court and subject to the approval of  
the board and shall be paid from the county treasury or other  
authorized fund.

(B)(1) In a county court district in which no bailiff is  
appointed pursuant to division (A)(1) of this section, every  
deputy sheriff of the county, every police officer of a municipal  
corporation within the jurisdiction of the court, every member of  
a township or joint police district police force, and every police  
constable of a township within the county court district is ex  
officio a bailiff of the court in and for the county, municipal  
corporation, or township within which the deputy sheriff, police  
officer, police force member, or police constable is commissioned

and shall perform, in respect to cases within that jurisdiction  
and without additional compensation, any duties that are required  
by a judge of the court or by the clerk of the court. In a county  
court in which a bailiff is appointed pursuant to division (A)(1)  
of this section, every deputy sheriff of the county is ex officio  
a bailiff of the county court, but shall not perform county court  
services similar to those performed by the sheriff for the court  
of common pleas unless those services are requested by the court.

(2) At the request of a county court judge, a deputy sheriff  
or constable shall attend the county court while a trial is in  
progress.

(C)(1) A Except as provided in division (B)(1) of this  
section, a bailiff and an ex officio bailiff shall perform for the  
county court services similar to those performed by the sheriff  
for the court of common pleas and shall perform any other duties  
that are required by rule of court.

(2) The bailiff may administer oaths to witnesses and jurors  
and receive verdicts in the same manner and form and to the same  
extent as the clerk or deputy clerks of the county court. The  
bailiff may approve all undertakings and bonds given in actions of  
replevin and all redelivery bonds in attachments.

(D) Bailiffs and deputy bailiffs are in the unclassified  
civil service.

**Sec. 1907.531.** A county court may enter into contracts with a  
county sheriff whose territorial jurisdiction includes the court  
for the transportation of persons between the county jail and the  
county court. Each contract shall provide for the costs of  
providing transportation services from the county jail to the  
court and shall not apply to a period in excess of four years."

Between lines 86 and 87, insert: 410

"**Section 2.** That existing sections 311.29, 1901.32, and 411  
 1907.53 of the Revised Code are hereby repealed" 412

In line 87, delete "2." and insert "3." 413

In line 94, delete "3." and insert "4." 414

In line 118, delete "4." and insert "5." 415

In line 136, delete "5." and insert "6." 416

In line 147, delete "6." and insert "7." 417

In line 304, delete "7." and insert "8." 418

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Transportation of person between county jail and courts** 419

**R.C. 311.29, 1901.32, 1901.321, 1907.53, and 1907.531** 420

Allows municipal courts and county courts to contract with 421  
 county sheriffs for the transportation of persons from the county 422  
 jail to the municipal court or county court and provides that each 423  
 contract of this sort must provide for the costs of transportation 424  
 and must not last for more than four years. 425

Requires every deputy sheriff of a county to serve ex officio 426  
 as a deputy bailiff of a municipal court within the county and to 427  
 perform without additional compensation any duties with respect to 428  
 cases within the court's jurisdiction as assigned by the judge, 429  
 the clerk, or a bailiff or deputy bailiff of the court. 430

Requires every deputy sheriff of a county to serve ex officio 431

as a bailiff of a county court within the county in which a 432  
bailiff has been appointed, but prohibits the deputy sheriff from 433  
performing court services similar to those performed by the 434  
sheriff for the court of common pleas unless the services are 435  
requested by the court. 436

Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend section 1  
3309.374 and to" 2

In line 8 of the title, after the comma insert "to revise 3  
eligibility for School Employees Retirement System pension and 4  
benefit recipients' annual cost-of-living adjustments," 5

In line 11, after "section" insert "3309.374 be amended and 6  
section" 7

Between lines 12 and 13, insert: 8

"**Sec. 3309.374.** (A) Until December 31, 2017, the school 9  
employees retirement board shall annually increase each allowance, 10  
pension, or benefit payable under this chapter by three per cent. 11

(B) Effective January 1, 2018, the retirement board may 12  
annually increase each allowance, pension, or benefit payable 13  
under this chapter by the percentage increase, if any, in the 14  
consumer price index, not to exceed two and one-half per cent, as 15  
determined by the United States bureau of labor statistics (U.S. 16  
city average for urban wage earners and clerical workers: "all 17  
items 1982-84=100") for the twelve-month period ending on the 18  
thirtieth day of June of the immediately preceding calendar year. 19  
No increase shall be made for a period in which the consumer price 20

index did not increase.

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(C) The first increase is payable to all persons becoming  
eligible after June 30, 1971, upon such persons receiving an  
allowance, pension, or benefit for twelve months, except that a  
recipient of an allowance, pension, or benefit that commences on  
or after January 1, 2018, is eligible for an increase under  
division (B) of this section on and after the number of  
anniversaries of the allowance, pension, or benefit determined by  
the retirement board.

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The increased amount is payable for the ensuing twelve-month  
period or until the next increase is granted under this section,  
whichever is later. Subsequent increases shall be determined from  
the date of the first increase paid to the former member in the  
case of an allowance being paid a beneficiary under an option, or  
from the date of the first increase to the survivor first  
receiving an allowance or benefit in the case of an allowance or  
benefit being paid to the subsequent survivors of the former  
member.

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The date of the first increase under this section becomes the  
anniversary date for any future increases.

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(D) The allowance or benefit used in the first calculation of  
an increase under this section shall remain as the base for all  
future increases, unless a new base is established. Any increase  
resulting from payment of a recalculated benefit under Section 3  
of Substitute Senate Bill No. 270 of the 123rd general assembly  
shall be included in the calculation of future increases under  
this section.

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(E) If payment of a portion of a benefit is made to an  
alternate payee under section 3309.671 of the Revised Code,  
increases under this section granted while the order is in effect

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shall be apportioned between the alternate payee and the retirant  
or disability benefit recipient in the same proportion that the  
amount being paid to the alternate payee bears to the amount paid  
to the retirant or disability benefit recipient.

If payment of a portion of a benefit is made to one or more  
beneficiaries under "plan F" under division (B)(3)(e) of section  
3309.46 of the Revised Code, each increase under this section  
granted while the plan of payment is in effect shall be divided  
among the designated beneficiaries in accordance with the portion  
each beneficiary has been allocated.

(F) No allowance, pension, or benefit payable under this  
chapter shall exceed the limit established by section 415 of the  
"Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 415, as  
amended.

(G) Before granting an increase under division (B) of this  
section, the retirement board may adjust the percentage of any  
increase if the board's actuary, in its annual actuarial valuation  
required by section 3309.21 of the Revised Code, or in other  
evaluations conducted under that section, determines that an  
adjustment does not materially impair the fiscal integrity of the  
retirement system or is necessary to preserve the fiscal integrity  
of the retirement system.

(H) The retirement board shall make all rules necessary to  
carry out this section."

Between lines 86 and 87, insert:

"**Section 2.** That existing section 3309.374 of the Revised  
Code is hereby repealed."

In line 87, delete "2." and insert "3."

In line 94, delete "3." and insert "4."

In line 118, delete "4." and insert "5."	80
In line 136, delete "5." and insert "6."	81
In line 147, delete "6." and insert "7."	82
In line 304, delete "7." and insert "8."	83

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

<b>SERS cost-of-living adjustments</b>	84
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<b>R.C. 3309.374</b>	85
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For a recipient of a School Employees Retirement System	86
(SERS) allowance, pension, or benefit that commences on or after	87
January 1, 2018, makes the recipient eligible for an annual	88
cost-of-living adjustment (COLA) only after the number of	89
anniversaries of the allowance, pension, or benefit determined by	90
the SERS Board (currently a recipient is eligible after receiving	91
the allowance, pension, or benefit for 12 months).	92

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 3 of the title, after "Assembly" insert "and Section 1  
229.30 of S.B. 310 of the 131st General Assembly, as subsequently 2  
amended," 3

After line 306, insert: 4

"**Section 8.** That Section 229.30 of S.B. 310 of the 131st 5  
General Assembly, as amended by Am. Sub. H.B. 49 of the 132nd 6  
General Assembly, be amended to read as follows: 7

**Sec. 229.30. COMMUNITY RESIDENTIAL PROGRAM RENOVATIONS** 8

The foregoing appropriation item C50114, Community 9  
Residential Program, may be used by the Department of 10  
Rehabilitation and Correction, pursuant to sections 5120.103 to 11  
5120.105 of the Revised Code, to provide for the construction or 12  
renovation of halfway house facilities for offenders eligible for 13  
community supervision by the Department of Rehabilitation and 14  
Correction. 15

OHIO RIVER VALLEY JAIL FACILITY 16

The foregoing appropriation item C501HE, Ohio River Valley 17  
Jail Facility, shall be used ~~for the~~ either or both of the 18  
following: (1) development of the Ohio River Valley Jail Facility 19

to be located in Scioto county, including, but not limited to, the 20  
costs of construction, renovations, site development, capital 21  
equipment, and planning; (2) expenses related to the STAR 22  
Community Justice Center located in Franklin Furnace. 23

**Section 9.** That existing Section 229.30 of S.B. 310 of the 24  
131st General Assembly, as amended by Am. Sub. H.B. 49 of the 25  
132nd General Assembly, is hereby repealed." 26

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Department of Rehabilitation and Correction** 27

**Sections 8 and 9 (amends Section 229.30 of S.B. 310 of the** 28  
**131st General Assembly, as subsequently amended)** 29

Amends temporary law that requires capital line item C501HE, 30  
Ohio River Valley Jail Facility, and related appropriation of 31  
\$1,250,000, to require the appropriation to be used for either or 32  
both of the following: (1) development of the Ohio River Valley 33  
Jail Facility; (2) expenses related to the STAR Community Justice 34  
Center located in Franklin Furnace (current law requires the 35  
appropriation to be used for the development of the Ohio River 36  
Valley Jail Facility). 37

\_\_\_\_\_ moved to amend as follows:

1        In line 1 of the title, after "3318.39" insert "and to  
2 repeal section 3345.58"

3        In line 5 of the title, delete everything after "Program"

4        Delete lines 6 and 7 of the title

5        In line 8 of the title, delete everything before the comma  
6 and insert "to repeal a provision regarding acceptance of prior  
7 college courses by state institutions of higher education"

8        Between lines 86 and 87, insert:

9        **"Section 2.** That section 3345.58 of the Revised Code is  
10 hereby repealed."

11       In line 87, delete "2" and insert "3"

12       In line 94, delete "3" and insert "4"

13       In line 118, delete "4" and insert "5"

14       In line 136, delete "5" and insert "6"

15       In line 147, delete "6" and insert "7"

16       In line 304, delete "7" and insert "8"

SYNOPSIS

**College credit for comparable coursework**

**R.C. 3345.58 (repealed)**

Repeals current law provisions, enacted in H.B. 49 of the 132nd that do the following:

(1) Prohibit state institutions of higher education from refusing to accept college credit earned in Ohio within the past five years as a substitute for comparable coursework offered at the institution; and

(2) Require state institutions to allow students to take a competency-based assessment in the relevant subject area, and if the student passes the assessment, to excuse the student from completing the course and grant the student credit for that course.

The motion was \_\_\_\_\_ agreed to.

\_\_\_\_\_ moved to amend as follows:

1       After line 306, insert:

2       **"Section 8.** (A) "Eligible sponsor" means a community school  
3 sponsor, as defined in section 3314.02 of the Revised Code, to  
4 which both of the following conditions apply:

5       (1) The sponsor received a score of "3" or higher or a  
6 grade of "B" or higher on the academic performance component of  
7 the sponsor rating under division (B)(1)(a) of section 3314.016  
8 of the Revised Code for the 2015-2016 school year.

9       (2) The sponsor has appealed its overall rating under that  
10 section for the 2015-2016 school year.

11       (B) Notwithstanding section 3314.016 of the Revised Code,  
12 the rating an eligible sponsor received for the 2015-2016 school  
13 year shall be considered a rating of "ineffective" and shall  
14 count as such for purposes of division (B) of section 3314.016  
15 of the Revised Code, and the State Board of Education shall take  
16 no further action on the eligible sponsor's appeal.

17       (C) Nothing in this section shall affect the operation of  
18 section 3314.016 of the Revised Code on an eligible sponsor with

19 respect to any rating under that section received after the  
20 2015-2016 school year."

21 The motion was \_\_\_\_\_ agreed to.

22 SYNOPSIS

23 **Community school sponsors**

24 **Section 8**

25 In the case of a community school sponsor that (1) received  
26 a score of "3" or a "B" or higher on the academic performance  
27 component for the 2015-2016 school year, and (2) has appealed  
28 its overall rating for that year, requires the sponsor's rating  
29 for the 2015-2016 school year to be considered "ineffective" and  
30 prohibits the State Board of Education from taking any further  
31 action on the eligible sponsor's appeal.

32 Specifies that the amendment does not affect the operation  
33 of the sponsor rating system and any rating the sponsor receives  
34 under it after the 2015-2016 school year.

Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 2 of the title, after "Sections" insert "259.100,";  
after "337.50" insert a comma

In line 9 of the title, after "earmark" insert ", to make  
changes to reappropriations for grants related to the Lakes in  
Economic Distress Revolving Loan Program"

In line 147, after "Sections" insert "259.100,"; after  
"337.50" insert a comma

Between lines 149 and 150, insert:

"**Sec. 259.100.** LAKES IN ECONOMIC DISTRESS REVOLVING LOAN  
PROGRAM

(A) On July 1, 2017, or as soon as possible thereafter, the  
Director of Development Services shall certify to the Director of  
Budget and Management the amount of the unexpended, unencumbered  
balance of the foregoing appropriation item 195546, Lakes in  
Economic Distress Revolving Loan Program, to be reappropriated in  
fiscal year 2018. The amount certified is hereby reappropriated to  
the foregoing appropriation item in fiscal year 2018 for the same  
purpose or for grants to support stormwater drainage  
infrastructure improvements at the Buckeye Lake Dam or for grants  
to complete a stormwater drainage study at the Buckeye Lake Dam,  
notwithstanding anything to the contrary in section 122.641 of the

Revised Code. 22

(B) On July 1, 2017, or as soon as possible thereafter, the 23  
 Director of Development Services shall certify to the Director of 24  
 Budget and Management the amount equaling the unexpended, 25  
 unencumbered balance of the portion of the foregoing appropriation 26  
 item 195407, Travel and Tourism, that was earmarked for grants to 27  
 assist businesses and other entities adversely affected due to 28  
 economic circumstances that result in the declaration of a lake as 29  
 an area under economic distress by the Director of Natural 30  
 Resources pursuant to section 122.641 of the Revised Code. The 31  
 amount certified is hereby reappropriated to the foregoing 32  
 appropriation item in fiscal year 2018 for the same purpose, 33  
provided that grants awarded under this division shall meet the 34  
same eligibility requirements as those governing loans under the 35  
Lakes in Economic Distress Revolving Loan Program, pursuant to 36  
division (C) of section 122.641 of the Revised Code." 37

In line 304, after "Sections" insert "259.100,"; after 38  
 "337.50" insert a comma 39

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Uncodified Law Relating to Lakes in Economic Distress Program** 40  
**Appropriations** 41

**Sections 6 and 7 (amends Section 259.100 of Am. Sub. H.B. 49** 42  
**of the 132nd General Assembly)** 43

Modifies uncodified law governing the budget of the 44  
 Development Services Agency in order to make the following two 45

changes:	46
(1) Specifies that the amount reappropriated for grants under	47
appropriation item 195407, Travel and Tourism, from FY 2017 to FY	48
2018 shall meet the same eligibility requirements as those	49
governing loans for the Lakes in Economic Distress Revolving Loan	50
Program.	51
(2) Specifies that the amount reappropriated for	52
appropriation item 195546, Lakes in Economic Distress Revolving	53
Loan Program, from FY 2017 to FY 2018 are to be used for <i>grants</i> to	54
support stormwater drainage infrastructure improvements at the	55
Buckeye Lake Dam or for <i>grants</i> to support a stormwater drainage	56
study at the Buckeye Lake Dam. (Current law does not specify that	57
these eligible uses of the appropriation item are to be in the	58
form of grants.)	59

Am. Sub. S.B. 8  
As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend sections 1  
107.036, 122.174, 5725.98, 5729.98, and 5739.01 and to"; delete 2  
"section" and insert "sections 122.15, 122.151, 122.152, 122.153, 3  
122.154, 122.155, 122.156, and" 4

In line 8 of the title, after the comma insert "to authorize 5  
a tax credit for insurance companies that provide capital to 6  
investment funds investing in businesses in rural areas, to exempt 7  
corrective eyeglasses and contact lenses from sales and use tax 8  
beginning July 1, 2019," 9

In line 11, delete "section" and insert "sections 107.036, 10  
122.174, 5725.98, 5729.98, and 5739.01 be amended and sections 11  
122.15, 122.151, 122.152, 122.153, 122.154, 122.155, 122.156, and" 12

Between lines 12 and 13, insert: 13

**"Sec. 107.036.** (A) For each business incentive tax credit, 14  
the main operating appropriations act shall contain a detailed 15  
estimate of the total amount of credits that may be authorized in 16  
each year, an estimate of the amount of credits expected to be 17  
claimed in each year, and an estimate of the amount of credits 18  
expected to remain outstanding at the end of the biennium. The 19  
governor shall include such estimates in the state budget 20

submitted to the general assembly pursuant to section 107.03 of 21  
the Revised Code. 22

(B) As used in this section, "business incentive tax credit" 23  
means all of the following: 24

(1) The job creation tax credit under section 122.17 of the 25  
Revised Code; 26

(2) The job retention tax credit under section 122.171 of the 27  
Revised Code; 28

(3) The historic preservation tax credit under section 29  
149.311 of the Revised Code; 30

(4) The motion picture tax credit under section 122.85 of the 31  
Revised Code; 32

(5) The new markets tax credit under section 5725.33 of the 33  
Revised Code; 34

(6) The research and development credit under section 166.21 35  
of the Revised Code; 36

(7) The small business investment credit under section 122.86 37  
of the Revised Code; 38

(8) The rural growth investment credit under section 122.152 39  
of the Revised Code. 40

**Sec. 122.15.** As used in this section and sections 122.151 to 41  
122.156 of the Revised Code: 42

(A) "Affiliate" means a person that directly, or indirectly 43  
through one or more intermediaries, controls, is controlled by, or 44  
is under common control with another person. For the purposes of 45  
this division, a person is "controlled by" another person if the 46  
controlling person holds, directly or indirectly, the majority 47

voting or ownership interest in the controlled person or has  
control over the day-to-day operations of the controlled person by  
contract or by law.

(B) "Closing date" means the date on which a rural business  
growth fund has collected all of the amounts specified by  
divisions (G)(1) and (2) of section 122.151 of the Revised Code.

(C) "Credit-eligible capital contribution" means an  
investment of cash by a person subject to the tax imposed by  
section 3901.86, 5725.18, 5729.03, or 5729.06 of the Revised Code  
in a rural business growth fund that equals the amount specified  
on a notice of tax credit allocation issued by the development  
services agency under division (I)(1) of section 122.151 of the  
Revised Code. The investment shall purchase an equity interest in  
the fund or purchase, at par value or premium, a debt instrument  
issued by the fund that meets all of the following criteria:

(1) The debt instrument has an original maturity date of at  
least five years after the date of issuance.

(2) The debt instrument has a repayment schedule that is not  
faster than a level principal amortization over five years.

(3) The debt instrument has no interest, distribution, or  
payment features dependent on the fund's profitability or the  
success of the fund's growth investments.

(D) "Eligible investment authority" means the amount stated  
on the notice issued under division (F) of section 122.151 of the  
Revised Code certifying the rural business growth fund. Sixty per  
cent of a fund's eligible investment authority shall be comprised  
of credit-eligible capital contributions.

(E) "Full-time equivalent employee" means the quotient  
obtained by dividing the total number of hours for which employees

were compensated for employment over the preceding twelve-month  
period by two thousand eighty.

(F) "Growth investment" means any capital or equity  
investment in a rural business concern or any loan to a rural  
business concern with a stated maturity of at least one year. A  
secured loan or the provision of a revolving line of credit to a  
rural business concern is a growth investment only if the rural  
business growth fund obtains an affidavit from the president or  
chief executive officer of the rural business concern attesting  
that the rural business concern sought and was denied similar  
financing from a commercial bank.

(G) "Operating company" means any business that has its  
principal business operations in this state, has fewer than two  
hundred fifty employees and not more than fifteen million dollars  
in net income for the preceding taxable year, and that is none of  
the following:

(1) A country club;

(2) A racetrack or other facility used for gambling;

(3) A store the principal purpose of which is the sale of  
alcoholic beverages for consumption off premises;

(4) A massage parlor;

(5) A hot tub facility;

(6) A suntan facility;

(7) A business engaged in the development or holding of  
intangibles for sale;

(8) A private or commercial golf course;

(9) A business that derives or projects to derive fifteen per  
cent or more of its net income from the rental or sale of real

property, except any business that is a special purpose entity  
principally owned by a principal user of that property formed  
solely for the purpose of renting, either directly or indirectly,  
or selling real property back to such principal user if such  
principal user does not derive fifteen per cent or more of its  
gross annual revenue from the rental or sale of real property;

(10) A publicly traded business.

For the purposes of this division, "net income" means federal  
gross income as required to be reported under the Internal Revenue  
Code less federal and state taxes imposed on or measured by  
income.

(H) A business's "principal business operations" are in this  
state if at least eighty per cent of the business's employees  
reside in this state, the individuals who receive eighty per cent  
of the business's payroll reside in this state, or the business  
has agreed to use the proceeds of a growth investment to relocate  
at least eighty per cent of its employees to this state or pay at  
least eighty per cent of its payroll to individuals residing in  
this state.

(I) "Rural area" means any county in this state having a  
population less than two hundred thousand as of the most recent  
decennial census or the most recent annual population estimate  
published or released by the United States census bureau.

(J) "Rural business concern" means an operating company that  
has its principal business operations located in a rural area.

(K) "Rural business growth fund" and "fund" mean an entity  
certified by the development services agency under section 122.151  
of the Revised Code.

(L) "Taxable year" means the calendar year ending on the

thirty-first day of December next preceding the day the annual  
statement is required to be returned under section 5725.18 or  
5729.02 of the Revised Code.

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Sec. 122.151. (A) On and after the effective date of the  
enactment of this section, a person that has developed a business  
plan to invest in rural business concerns in this state and has  
successfully solicited private investors to make credit-eligible  
capital contributions in support of the plan may apply to the  
development services agency for certification as a rural business  
growth fund. The application shall include all of the following:

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(1) The total eligible investment authority sought by the  
applicant under the business plan;

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(2) Documents and other evidence sufficient to prove, to the  
satisfaction of the agency, that the applicant meets all of the  
following criteria:

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(a) The applicant or an affiliate of the applicant is  
licensed as a rural business investment company under 7 U.S.C.  
2009cc, or as a small business investment company under 15 U.S.C.  
681.

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(b) As of the date the application is submitted, the  
applicant has invested more than one hundred million dollars in  
operating companies, including at least fifty million dollars in  
operating companies located in rural areas. In computing  
investments under this division, the applicant may include  
investments made by affiliates of the applicant and investments  
made in businesses that are not operating companies but would  
qualify as operating companies if the principal business  
operations were located in this state.

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(3) The industries in which the applicant proposes to make

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growth investments and the percentage of the growth investments 163  
that will be made in each industry. The applicant shall identify 164  
each industry by using the codes utilized by the north American 165  
industry classification system. 166

(4) An estimate of the number of new full-time equivalent 167  
employees and retained full-time equivalent employees that will 168  
result from the applicant's growth investments; 169

(5) A revenue impact assessment for the applicant's proposed 170  
growth investments prepared by a nationally recognized third-party 171  
independent economic forecasting firm using a dynamic economic 172  
forecasting model. The revenue impact assessment shall analyze the 173  
applicant's business plan over the ten years following the date 174  
the application is submitted to the agency. 175

(6) A signed affidavit from each investor successfully 176  
solicited by the applicant to make a credit eligible capital 177  
contribution in support of the business plan. Each affidavit shall 178  
include information sufficient for the agency and the 179  
superintendent of insurance to identify the investor and shall 180  
state the amount of the investor's credit-eligible capital 181  
contribution. 182

(7) A nonrefundable application fee of five thousand dollars. 183

(B)(1) Except as provided in division (B)(2) of this section, 184  
the agency shall review and make a determination with respect to 185  
each application submitted under division (A) of this section 186  
within sixty days of receipt. The agency shall review and make 187  
determinations on the applications in the order in which the 188  
applications are received by the agency. Applications received by 189  
the agency on the same day shall be deemed to have been received 190  
simultaneously. The agency shall approve not more than 191  
seventy-five million dollars in eligible investment authority and 192

not more than forty-five million dollars in credit-eligible 193  
capital contributions under this section. 194

(2) If the agency denies an application for certification as 195  
a fund, and approving a subsequently submitted application would 196  
result in exceeding the dollar limitation on eligible investment 197  
authority or credit-eligible contributions prescribed by division 198  
(B)(1) of this section assuming the previously denied application 199  
were completed, clarified, or cured under division (D) of this 200  
section, the agency shall refrain from making a determination on 201  
the subsequently submitted application until the previously denied 202  
application is reconsidered or the fifteen-day period for 203  
submitting additional information respecting that application has 204  
passed, whichever comes first. 205

(C) The agency shall deny an application submitted under this 206  
section if any of the following are true: 207

(1) The application is incomplete. 208

(2) The application fee is not paid in full. 209

(3) The applicant does not satisfy all the criteria described 210  
in division (A)(2) of this section. 211

(4) The revenue impact assessment submitted under division 212  
(A)(5) of this section does not demonstrate that the applicant's 213  
business plan will result in a positive economic impact on this 214  
state over a ten-year period that exceeds the cumulative amount of 215  
tax credits that would be issued under section 122.152 of the 216  
Revised Code if the application were approved. 217

(5) The credit-eligible capital contributions described in 218  
affidavits submitted under division (A)(6) of this section do not 219  
equal sixty per cent of the total amount of eligible investment 220  
authority sought under the applicant's business plan. 221

(6) The agency has already approved the maximum total 222  
eligible investment authority and credit-eligible capital 223  
contributions allowed under division (B) of this section. 224

(D) If the agency denies an application under division (C) of 225  
this section, the agency shall send notice of its determination to 226  
the applicant. The notice shall include the reason or reasons that 227  
the application was denied. If the application was denied for any 228  
reason other than the reason specified in division (C)(6) of this 229  
section, the applicant may provide additional information to the 230  
agency to complete, clarify, or cure defects in the application. 231  
The additional information must be submitted within fifteen days 232  
after the date the notice of denial was dispatched by the agency. 233  
If the person submits additional information within fifteen days, 234  
the agency shall reconsider the application within thirty days 235  
after receiving the additional information. The application shall 236  
be reviewed and considered before any pending application 237  
submitted after the original submission date of the reconsidered 238  
application. If the person does not submit additional information 239  
within fifteen days after dispatch of the notice of denial, the 240  
person may submit a new application with a new submission date at 241  
any time. 242

(E) If approving multiple simultaneously submitted 243  
applications would result in exceeding the overall eligible 244  
investment limit prescribed by division (B) of this section, the 245  
agency shall proportionally reduce the eligible investment 246  
authority and the credit-eligible capital contributions for each 247  
approved application as necessary to avoid exceeding the limit. 248

(F) The agency shall not deny a rural business growth fund 249  
application or reduce the requested eligible investment authority 250  
for reasons other than those described in divisions (C) and (E) of 251

this section. If the agency approves such an application, the  
agency shall issue a written notice to the applicant certifying  
that the applicant qualifies as a rural business growth fund and  
specifying the amount of the applicant's eligible investment  
authority.

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(G) A fund shall do all of the following within sixty days  
after receiving the certification issued under division (F) of  
this section:

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(1) Collect the credit-eligible capital contributions from  
each investor whose affidavit was included in the application. If  
the rural business growth fund's requested eligible investment  
authority is proportionally reduced under division (E) of this  
section, the investor's required credit-eligible capital  
contribution shall be reduced by the same proportion.

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(2) Collect one or more investments of cash that, when added  
to the contributions collected under division (G)(1) of this  
section, equal the fund's eligible investment authority. At least  
ten per cent of the fund's eligible investment authority shall be  
comprised of equity investments contributed by affiliates of the  
fund, including employees, officers, and directors of such  
affiliates.

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(H) Within sixty-five days after receiving the certification  
issued under division (F)(1) of this section, the fund shall send  
to the agency documentation sufficient to prove that the amounts  
described in divisions (G)(1) and (2) of this section have been  
collected. The fund shall identify any affiliate of an investor  
described in division (G)(1) of this section that will seek to  
claim the credit allowed by section 122.152 of the Revised Code.  
If the fund fails to fully comply with division (G) of this  
section, the fund's certification shall lapse.

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Eligible investment authority and corresponding 282  
credit-eligible capital contributions that lapse under this 283  
division do not count toward limits on total eligible investment 284  
authority and credit-eligible capital contributions prescribed by 285  
division (B) of this section. Once eligible investment authority 286  
has lapsed, the agency shall first award lapsed authority pro rata 287  
to each fund that was awarded less than the requested eligible 288  
investment authority because of the operation of division (E) of 289  
this section. Any remaining eligible investment authority may be 290  
awarded by the agency to new applicants. 291

(I) After receiving documentation sufficient to prove that 292  
the amounts described in divisions (G)(1) and (2) of this section 293  
have been collected, the agency shall issue the following notices: 294

(1) To each investor or affiliate identified in division (H) 295  
of this section, a notice of the amount and utilization schedule 296  
of the tax credits allocated to that investor or affiliate as a 297  
result of its credit-eligible capital contribution; 298

(2) To the superintendent of insurance, a notice of the 299  
amount and utilization schedule of the tax credits allocated to 300  
each investor described in division (G)(1) of this section and any 301  
affiliate of such investor who will seek to claim the credit 302  
allowed by section 122.152 of the Revised Code. 303

(J) Application fees submitted to the agency pursuant to 304  
division (A)(7) of this section shall be credited to the tax 305  
incentives operating fund created under section 122.174 of the 306  
Revised Code, and shall be used by the agency to administer 307  
sections 122.15 to 122.156 of the Revised Code. 308

**Sec. 122.152.** (A) There is hereby allowed a nonrefundable tax 309  
credit for owners of tax credit certificates issued by the 310

development services agency under division (B) of this section.  
The credit may be claimed against the tax imposed by section  
3901.86, 5725.18, 5729.03, or 5729.06 of the Revised Code.

(B) On the closing date, a taxpayer that made a  
credit-eligible capital contribution to a rural business growth  
fund shall be eligible for a credit equal to the amount specified  
in the notice issued under division (I)(1) of section 122.151 of  
the Revised Code. On or before the third, fourth, fifth, and sixth  
anniversary dates of the closing date, the agency shall issue a  
tax credit certificate to the taxpayer specifying the  
corresponding anniversary date and a credit amount equal to  
one-fourth of the total credit authorized under this section. The  
taxpayer or its identified affiliate may claim the credit amount  
for the taxable year that includes the date specified on the  
certificate. The taxpayer making a credit-eligible capital  
contribution and the issuance of a tax credit certificate by the  
agency does not represent a verification or certification by the  
agency of compliance with the recapture provisions of section  
122.153 of the Revised Code. The tax credit issued under this  
division is subject to recapture under section 122.153 of the  
Revised Code.

(C) The credit shall be claimed in the order required under  
section 5725.98 or 5729.98 of the Revised Code as applicable. If  
the amount of the credit for a taxable year exceeds the tax  
otherwise due for that year, the excess may be carried forward for  
not more than four ensuing taxable years. A taxpayer claiming a  
credit under this section shall submit a copy of the tax credit  
certificate with the taxpayer's annual statement for each taxable  
year in which the credit is claimed.

**Sec. 122.153. (A) The development services agency shall not**

be required to issue a tax credit certificate under section  
122.152 of the Revised Code if the fund in which the  
credit-eligible capital contribution was made does not invest  
fifty per cent of its eligible investment authority in growth  
investments within one year of the closing date and one hundred  
per cent of its eligible investment authority in growth  
investments in this state within two years of the closing date.

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(B) The agency shall recapture tax credits claimed under  
section 122.152 of the Revised Code if any of the following occur  
with respect to the rural business growth fund:

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(1) The fund, after investing one hundred per cent of its  
eligible investment authority in growth investments in this state,  
fails to maintain that investment until the sixth anniversary of  
the closing date. For the purposes of this division, an investment  
is maintained even if the investment is sold or repaid so long as  
the fund reinvests an amount equal to the capital returned or  
recovered by the fund from the original investment, exclusive of  
any profits realized, in other growth investments in this state  
within one year of the receipt of such capital.

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(2) The fund makes a distribution or payment after the fund  
complies with division (G) of section 122.151 of the Revised Code  
and before the fund decertifies under division (D) of this section  
that results in the fund having less than one hundred per cent of  
its eligible investment authority invested in growth investments  
in this state.

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(3) The fund makes a growth investment in a rural business  
concern that directly or indirectly through an affiliate owns, has  
the right to acquire an ownership interest, makes a loan to, or  
makes an investment in the fund, an affiliate of the fund, or an  
investor in the fund. Division (A)(3) of this section does not

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apply to investments in publicly traded securities by a rural business concern or an owner or affiliate of a rural business concern.

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Before recapturing one or more tax credits under this division, the agency shall notify the fund of the reasons for the pending recapture. If the fund corrects the violations outlined in the notice to the satisfaction of the agency within thirty days of the date the notice was dispatched, the agency shall not recapture the tax credits.

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(C) The amount by which one or more growth investments by a fund in the same rural business concern exceeds twenty per cent of the fund's eligible investment authority shall not be counted as a growth investment for the purposes of this section. A growth investment in an affiliate of a rural business concern shall be treated as a growth investment in that rural business concern for the purposes of this division.

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(D) If the agency recaptures a tax credit under this section, the agency shall notify the superintendent of insurance of the recapture. The superintendent shall make an assessment under Chapter 5725. or 5729. of the Revised Code for the amount of the credit claimed by each certificate owner associated with the fund before the recapture was finalized. The time limitations on assessments under those chapters do not apply to an assessment under this division, but the superintendent shall make the assessment within one year after the date the agency notifies the superintendent of the recapture. Following the recapture of a tax credit under this section, no tax credit certificate associated with the fund may be utilized. Notwithstanding division (B) of section 122.152 of the Revised Code, if a tax credit is recaptured under this section the agency shall not issue future tax credit

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certificates to taxpayers that made credit-eligible capital  
contributions to the fund.

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(E)(1) On or after the sixth anniversary of the closing date,  
a fund that has not committed any of the acts described in  
division (B) of this section may apply to the agency to decertify  
as a rural business growth fund. The agency shall respond to the  
application within sixty days after receiving the application. In  
evaluating the application, the fact that no tax credit has been  
recaptured with respect to the fund shall be sufficient evidence  
to prove that the fund is eligible for decertification. The agency  
shall not unreasonably deny an application submitted under this  
division.

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(2) The agency shall send notice of its determination with  
respect to an application submitted under division (E)(1) of this  
section to the fund. If the application is denied, the notice  
shall include the reason or reasons for the determination.

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(3) The agency shall not recapture a tax credit due to any  
actions of a fund that occur after the date the fund's application  
for decertification is approved. Division (E)(3) of this section  
does not prohibit the agency from recapturing a tax credit due to  
the actions of a fund that occur before the date the fund's  
application for decertification is approved, even if those actions  
are discovered after that date.

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**Sec. 122.154.** (A) Each rural business growth fund shall  
submit a report to the development services agency on or before  
the first day of each March following the end of the calendar year  
that includes the closing date until the calendar year after the  
fund has decertified. The report shall provide an itemization of  
the fund's growth investments and shall include the following

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<u>documents and information:</u>	430
<u>(1) A bank statement evidencing each growth investment;</u>	431
<u>(2) The name, location, and industry class of each business</u>	432
<u>that received a growth investment from the fund and evidence that</u>	433
<u>the business qualified as a rural business concern at the time the</u>	434
<u>investment was made. If the fund obtained a written opinion from</u>	435
<u>the agency on the business's status as a rural business concern</u>	436
<u>under section 122.156 of the Revised Code, or if the fund makes a</u>	437
<u>written request for such an opinion and the agency failed to</u>	438
<u>respond within thirty days as required by that section, a copy of</u>	439
<u>the agency's favorable opinion or a dated copy of the fund's</u>	440
<u>unanswered request, as applicable, shall be sufficient evidence</u>	441
<u>that the business qualified as a rural business concern at the</u>	442
<u>time the investment was made.</u>	443
<u>(3) The number of employment positions that existed at each</u>	444
<u>business described in division (A)(2) of this section on the date</u>	445
<u>the business received the growth investment;</u>	446
<u>(4) The number of new full-time equivalent employees</u>	447
<u>resulting from each of the fund's growth investments made or</u>	448
<u>maintained in the preceding calendar year;</u>	449
<u>(5) Any other information required by the agency.</u>	450
<u>(B) Each fund shall submit a report to the agency on or</u>	451
<u>before the fifth business day after the first and second</u>	452
<u>anniversaries of the closing date that provides documentation</u>	453
<u>sufficient to prove that the fund has met the investment</u>	454
<u>thresholds described in division (A) of section 122.153 of the</u>	455
<u>Revised Code and has not implicated any of the other recapture</u>	456
<u>provisions described in division (B) of that section.</u>	457
<u>(C) Each certified rural business growth fund shall pay the</u>	458

agency an annual fee of twenty thousand dollars. The initial  
annual fee required of a fund shall be due and payable to the  
agency along with the submission of documentation required under  
division (H) of section 122.151 of the Revised Code. Each  
subsequent annual fee is due and payable on the last day of  
February following the first and each ensuing anniversary of the  
closing date. If the fund is required to submit an annual report  
under division (A) of this section, the annual fee shall be  
submitted along with the report. No fund shall be required to pay  
an annual fee after the fund has decertified under section 122.153  
of the Revised Code. Annual fees paid to the agency under this  
section shall be credited to the tax incentives operating fund  
created under section 122.174 of the Revised Code.

(D) The director of development services, after consultation  
with the superintendent of insurance and in accordance with  
Chapter 119. of the Revised Code, may adopt rules necessary to  
implement sections 122.15 to 122.156 of the Revised Code.

**Sec. 122.155.** (A)(1) For each calendar year in which a rural  
business growth fund makes or maintains a growth investment in a  
rural business concern in this state, the fund shall determine the  
number of new full-time equivalent employees produced at the  
business concern as a result of the investment. New full-time  
equivalent employees shall be computed by subtracting the number  
of full-time equivalent employees at the rural business concern on  
the date of the fund's initial growth investment in the rural  
business concern from the number of full-time equivalent employees  
at the rural business concern on the last day of the calendar  
year. If the computation results in a number less than zero, the  
number of new full-time equivalent employees, produced by the  
fund's growth investment for that calendar year period shall be

zero. Only employees with an hourly wage rate of at least one  
hundred fifty per cent of the federal minimum wage may be  
considered in computing the number of new full-time equivalent  
employees for the purposes of this section.

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(2) A fund may determine and include, for the purposes of  
this section and section 122.154 of the Revised Code, the number  
of new full-time equivalent employees produced at a rural business  
concern after the year in which the fund's growth investment is  
repaid or redeemed. The new full-time equivalent employees shall  
be computed in the same manner as in division (A)(1) of this  
section based on reporting information provided by the rural  
business concern to the fund.

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(B) After a fund's application for decertification is  
approved under section 122.153 of the Revised Code, the fund shall  
determine the state reimbursement amount. The state reimbursement  
amount shall equal the amount by which the fund's credit-eligible  
capital contributions exceed the product obtained by multiplying  
thirty thousand dollars by the aggregate number of new full-time  
equivalent employees for the fund. If that product is greater than  
the fund's credit-eligible capital contributions, the state  
reimbursement amount shall equal zero. In the absence of  
additional information provided by the fund or discovered by the  
agency, the number of new full-time equivalent employees for the  
purposes of this division equals the sum of all new full-time  
equivalent employees reported by the fund on the annual reports  
required under section 122.154 of the Revised Code.

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(C) After the state reimbursement amount is computed under  
division (B) of this section, the fund shall not be permitted to  
make further distributions to equity holders of the fund,  
including investors that are equity holders of the funds without

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first remitting the state reimbursement amount to the agency. All  
amounts received by the agency under this division shall be  
credited to the general revenue fund.

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(D) The director of development services, upon the request of  
a fund, may waive all or a portion of the remission required under  
division (C) of this section if the director determines, based on  
an affidavit of the chief executive officer or president of a  
rural business concern, that the growth investments of the fund  
resulted in the retention of employment positions that would have  
otherwise been eliminated at rural business concerns in this  
state. The amount waived shall not exceed the product of thirty  
thousand dollars multiplied by the number of retained employment  
positions multiplied by the number of years in which the fund made  
or maintained a growth investment in the rural business concern  
that retained the employment positions.

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**Sec. 122.156.** A rural business growth fund, before investing  
in a business, may request a written opinion from the development  
services agency as to whether the business qualifies as a rural  
business concern based on the criteria prescribed by section  
122.15 of the Revised Code. The request shall be submitted in a  
form prescribed by rule of the agency. The agency shall issue a  
written opinion to the fund within thirty business days of  
receiving such a request. Notwithstanding division (H) of section  
122.15 of the Revised Code, if the agency determines that the  
business qualifies as a rural business concern or if the agency  
fails to timely issue the written opinion as required under this  
section, the business shall be considered a rural business concern  
for the purposes of sections 122.15 to 122.156 of the Revised  
Code.

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**Sec. 122.174.** There is hereby created in the state treasury 548  
the tax incentives operating fund. The fund shall consist of any 549  
amounts appropriated to it and money credited to the fund pursuant 550  
to section 122.151, 122.154, 122.17, 122.171, 122.175, 122.85, 551  
122.86, 3735.672, 5709.68, or 5725.33 of the Revised Code. The 552  
director of development services shall use money in the fund to 553  
pay expenses related to the administration of (A) the business 554  
services division of the development services agency and (B) the 555  
programs described in those sections." 556

Between lines 86 and 87, insert: 557

**"Sec. 5725.98.** (A) To provide a uniform procedure for 558  
calculating the amount of tax imposed by section 5725.18 of the 559  
Revised Code that is due under this chapter, a taxpayer shall 560  
claim any credits and offsets against tax liability to which it is 561  
entitled in the following order: 562

(1) The credit for an insurance company or insurance company 563  
group under section 5729.031 of the Revised Code; 564

(2) The credit for eligible employee training costs under 565  
section 5725.31 of the Revised Code; 566

(3) The credit for purchasers of qualified low-income 567  
community investments under section 5725.33 of the Revised Code; 568

(4) The nonrefundable job retention credit under division (B) 569  
of section 122.171 of the Revised Code; 570

(5) The nonrefundable credit for investments in rural 571  
business growth funds under section 122.152 of the Revised Code; 572

(6) The offset of assessments by the Ohio life and health 573  
insurance guaranty association permitted by section 3956.20 of the 574

Revised Code; 575

~~(6)~~(7) The refundable credit for rehabilitating a historic 576  
building under section 5725.34 of the Revised Code. 577

~~(7)~~(8) The refundable credit for Ohio job retention under 578  
former division (B)(2) or (3) of section 122.171 of the Revised 579  
Code as those divisions existed before September 29, 2015, the 580  
effective date of the amendment of this section by H.B. 64 of the 581  
131st general assembly; 582

~~(8)~~(9) The refundable credit for Ohio job creation under 583  
section 5725.32 of the Revised Code; 584

~~(9)~~(10) The refundable credit under section 5725.19 of the 585  
Revised Code for losses on loans made under the Ohio venture 586  
capital program under sections 150.01 to 150.10 of the Revised 587  
Code. 588

(B) For any credit except the refundable credits enumerated 589  
in this section, the amount of the credit for a taxable year shall 590  
not exceed the tax due after allowing for any other credit that 591  
precedes it in the order required under this section. Any excess 592  
amount of a particular credit may be carried forward if authorized 593  
under the section creating that credit. Nothing in this chapter 594  
shall be construed to allow a taxpayer to claim, directly or 595  
indirectly, a credit more than once for a taxable year. 596

**Sec. 5729.98.** (A) To provide a uniform procedure for 597  
calculating the amount of tax due under this chapter, a taxpayer 598  
shall claim any credits and offsets against tax liability to which 599  
it is entitled in the following order: 600

(1) The credit for an insurance company or insurance company 601  
group under section 5729.031 of the Revised Code; 602

(2) The credit for eligible employee training costs under section 5729.07 of the Revised Code;	603 604
(3) The credit for purchases of qualified low-income community investments under section 5729.16 of the Revised Code;	605 606
(4) The nonrefundable job retention credit under division (B) of section 122.171 of the Revised Code;	607 608
(5) <u>The nonrefundable credit for investments in rural business growth funds under section 122.152 of the Revised Code;</u>	609 610
(6) The offset of assessments by the Ohio life and health insurance guaranty association against tax liability permitted by section 3956.20 of the Revised Code;	611 612 613
<del>(6)</del> (7) The refundable credit for rehabilitating a historic building under section 5729.17 of the Revised Code.	614 615
<del>(7)</del> (8) The refundable credit for Ohio job retention under former division (B)(2) or (3) of section 122.171 of the Revised Code as those divisions existed before <u>September 29, 2015</u> , the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;	616 617 618 619 620
<del>(8)</del> (9) The refundable credit for Ohio job creation under section 5729.032 of the Revised Code;	621 622
<del>(9)</del> (10) The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code.	623 624 625 626
(B) For any credit except the refundable credits enumerated in this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess	627 628 629 630

amount of a particular credit may be carried forward if authorized 631  
under the section creating that credit. Nothing in this chapter 632  
shall be construed to allow a taxpayer to claim, directly or 633  
indirectly, a credit more than once for a taxable year. 634

**Sec. 5739.01.** As used in this chapter: 635

(A) "Person" includes individuals, receivers, assignees, 636  
trustees in bankruptcy, estates, firms, partnerships, 637  
associations, joint-stock companies, joint ventures, clubs, 638  
societies, corporations, the state and its political subdivisions, 639  
and combinations of individuals of any form. 640

(B) "Sale" and "selling" include all of the following 641  
transactions for a consideration in any manner, whether absolutely 642  
or conditionally, whether for a price or rental, in money or by 643  
exchange, and by any means whatsoever: 644

(1) All transactions by which title or possession, or both, 645  
of tangible personal property, is or is to be transferred, or a 646  
license to use or consume tangible personal property is or is to 647  
be granted; 648

(2) All transactions by which lodging by a hotel is or is to 649  
be furnished to transient guests; 650

(3) All transactions by which: 651

(a) An item of tangible personal property is or is to be 652  
repaired, except property, the purchase of which would not be 653  
subject to the tax imposed by section 5739.02 of the Revised Code; 654

(b) An item of tangible personal property is or is to be 655  
installed, except property, the purchase of which would not be 656  
subject to the tax imposed by section 5739.02 of the Revised Code 657  
or property that is or is to be incorporated into and will become 658

a part of a production, transmission, transportation, or 659  
distribution system for the delivery of a public utility service; 660

(c) The service of washing, cleaning, waxing, polishing, or 661  
painting a motor vehicle is or is to be furnished; 662

(d) Until August 1, 2003, industrial laundry cleaning 663  
services are or are to be provided and, on and after August 1, 664  
2003, laundry and dry cleaning services are or are to be provided; 665

(e) Automatic data processing, computer services, or 666  
electronic information services are or are to be provided for use 667  
in business when the true object of the transaction is the receipt 668  
by the consumer of automatic data processing, computer services, 669  
or electronic information services rather than the receipt of 670  
personal or professional services to which automatic data 671  
processing, computer services, or electronic information services 672  
are incidental or supplemental. Notwithstanding any other 673  
provision of this chapter, such transactions that occur between 674  
members of an affiliated group are not sales. An "affiliated 675  
group" means two or more persons related in such a way that one 676  
person owns or controls the business operation of another member 677  
of the group. In the case of corporations with stock, one 678  
corporation owns or controls another if it owns more than fifty 679  
per cent of the other corporation's common stock with voting 680  
rights. 681

(f) Telecommunications service, including prepaid calling 682  
service, prepaid wireless calling service, or ancillary service, 683  
is or is to be provided, but not including coin-operated telephone 684  
service; 685

(g) Landscaping and lawn care service is or is to be 686  
provided; 687

(h) Private investigation and security service is or is to be provided; 688  
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(i) Information services or tangible personal property is provided or ordered by means of a nine hundred telephone call; 690  
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(j) Building maintenance and janitorial service is or is to be provided; 692  
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(k) Employment service is or is to be provided; 694

(l) Employment placement service is or is to be provided; 695

(m) Exterminating service is or is to be provided; 696

(n) Physical fitness facility service is or is to be provided; 697  
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(o) Recreation and sports club service is or is to be provided; 699  
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(p) On and after August 1, 2003, satellite broadcasting service is or is to be provided; 701  
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(q) On and after August 1, 2003, personal care service is or is to be provided to an individual. As used in this division, "personal care service" includes skin care, the application of cosmetics, manicuring, pedicuring, hair removal, tattooing, body piercing, tanning, massage, and other similar services. "Personal care service" does not include a service provided by or on the order of a licensed physician or licensed chiropractor, or the cutting, coloring, or styling of an individual's hair. 703  
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(r) On and after August 1, 2003, the transportation of persons by motor vehicle or aircraft is or is to be provided, when the transportation is entirely within this state, except for transportation provided by an ambulance service, by a transit bus, as defined in section 5735.01 of the Revised Code, and 711  
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transportation provided by a citizen of the United States holding 716  
a certificate of public convenience and necessity issued under 49 717  
U.S.C. 41102; 718

(s) On and after August 1, 2003, motor vehicle towing service 719  
is or is to be provided. As used in this division, "motor vehicle 720  
towing service" means the towing or conveyance of a wrecked, 721  
disabled, or illegally parked motor vehicle. 722

(t) On and after August 1, 2003, snow removal service is or 723  
is to be provided. As used in this division, "snow removal 724  
service" means the removal of snow by any mechanized means, but 725  
does not include the providing of such service by a person that 726  
has less than five thousand dollars in sales of such service 727  
during the calendar year. 728

(u) Electronic publishing service is or is to be provided to 729  
a consumer for use in business, except that such transactions 730  
occurring between members of an affiliated group, as defined in 731  
division (B)(3)(e) of this section, are not sales. 732

(4) All transactions by which printed, imprinted, 733  
overprinted, lithographic, multilithic, blueprinted, photostatic, 734  
or other productions or reproductions of written or graphic matter 735  
are or are to be furnished or transferred; 736

(5) The production or fabrication of tangible personal 737  
property for a consideration for consumers who furnish either 738  
directly or indirectly the materials used in the production of 739  
fabrication work; and include the furnishing, preparing, or 740  
serving for a consideration of any tangible personal property 741  
consumed on the premises of the person furnishing, preparing, or 742  
serving such tangible personal property. Except as provided in 743  
section 5739.03 of the Revised Code, a construction contract 744  
pursuant to which tangible personal property is or is to be 745

incorporated into a structure or improvement on and becoming a 746  
part of real property is not a sale of such tangible personal 747  
property. The construction contractor is the consumer of such 748  
tangible personal property, provided that the sale and 749  
installation of carpeting, the sale and installation of 750  
agricultural land tile, the sale and erection or installation of 751  
portable grain bins, or the provision of landscaping and lawn care 752  
service and the transfer of property as part of such service is 753  
never a construction contract. 754

As used in division (B)(5) of this section: 755

(a) "Agricultural land tile" means fired clay or concrete 756  
tile, or flexible or rigid perforated plastic pipe or tubing, 757  
incorporated or to be incorporated into a subsurface drainage 758  
system appurtenant to land used or to be used primarily in 759  
production by farming, agriculture, horticulture, or floriculture. 760  
The term does not include such materials when they are or are to 761  
be incorporated into a drainage system appurtenant to a building 762  
or structure even if the building or structure is used or to be 763  
used in such production. 764

(b) "Portable grain bin" means a structure that is used or to 765  
be used by a person engaged in farming or agriculture to shelter 766  
the person's grain and that is designed to be disassembled without 767  
significant damage to its component parts. 768

(6) All transactions in which all of the shares of stock of a 769  
closely held corporation are transferred, or an ownership interest 770  
in a pass-through entity, as defined in section 5733.04 of the 771  
Revised Code, is transferred, if the corporation or pass-through 772  
entity is not engaging in business and its entire assets consist 773  
of boats, planes, motor vehicles, or other tangible personal 774  
property operated primarily for the use and enjoyment of the 775

shareholders or owners; 776

(7) All transactions in which a warranty, maintenance or 777  
service contract, or similar agreement by which the vendor of the 778  
warranty, contract, or agreement agrees to repair or maintain the 779  
tangible personal property of the consumer is or is to be 780  
provided; 781

(8) The transfer of copyrighted motion picture films used 782  
solely for advertising purposes, except that the transfer of such 783  
films for exhibition purposes is not a sale; 784

(9) On and after August 1, 2003, all transactions by which 785  
tangible personal property is or is to be stored, except such 786  
property that the consumer of the storage holds for sale in the 787  
regular course of business; 788

(10) All transactions in which "guaranteed auto protection" 789  
is provided whereby a person promises to pay to the consumer the 790  
difference between the amount the consumer receives from motor 791  
vehicle insurance and the amount the consumer owes to a person 792  
holding title to or a lien on the consumer's motor vehicle in the 793  
event the consumer's motor vehicle suffers a total loss under the 794  
terms of the motor vehicle insurance policy or is stolen and not 795  
recovered, if the protection and its price are included in the 796  
purchase or lease agreement; 797

(11)(a) Except as provided in division (B)(11)(b) of this 798  
section, on and after October 1, 2009, all transactions by which 799  
health care services are paid for, reimbursed, provided, 800  
delivered, arranged for, or otherwise made available by a medicaid 801  
health insuring corporation pursuant to the corporation's contract 802  
with the state. 803

(b) If the centers for medicare and medicaid services of the 804

United States department of health and human services determines 805  
that the taxation of transactions described in division (B)(11)(a) 806  
of this section constitutes an impermissible health care-related 807  
tax under the "Social Security Act," section 1903(w), 42 U.S.C. 808  
1396b(w), and regulations adopted thereunder, the medicaid 809  
director shall notify the tax commissioner of that determination. 810  
Beginning with the first day of the month following that 811  
notification, the transactions described in division (B)(11)(a) of 812  
this section are not sales for the purposes of this chapter or 813  
Chapter 5741. of the Revised Code. The tax commissioner shall 814  
order that the collection of taxes under sections 5739.02, 815  
5739.021, 5739.023, 5739.026, 5741.02, 5741.021, 5741.022, and 816  
5741.023 of the Revised Code shall cease for transactions 817  
occurring on or after that date. 818

(12) All transactions by which a specified digital product is 819  
provided for permanent use or less than permanent use, regardless 820  
of whether continued payment is required. 821

Except as provided in this section, "sale" and "selling" do 822  
not include transfers of interest in leased property where the 823  
original lessee and the terms of the original lease agreement 824  
remain unchanged, or professional, insurance, or personal service 825  
transactions that involve the transfer of tangible personal 826  
property as an inconsequential element, for which no separate 827  
charges are made. 828

(C) "Vendor" means the person providing the service or by 829  
whom the transfer effected or license given by a sale is or is to 830  
be made or given and, for sales described in division (B)(3)(i) of 831  
this section, the telecommunications service vendor that provides 832  
the nine hundred telephone service; if two or more persons are 833  
engaged in business at the same place of business under a single 834

trade name in which all collections on account of sales by each 835  
are made, such persons shall constitute a single vendor. 836

Physicians, dentists, hospitals, and veterinarians who are 837  
engaged in selling tangible personal property as received from 838  
others, such as eyeglasses, mouthwashes, dentifrices, or similar 839  
articles, are vendors. Veterinarians who are engaged in 840  
transferring to others for a consideration drugs, the dispensing 841  
of which does not require an order of a licensed veterinarian or 842  
physician under federal law, are vendors. 843

(D)(1) "Consumer" means the person for whom the service is 844  
provided, to whom the transfer effected or license given by a sale 845  
is or is to be made or given, to whom the service described in 846  
division (B)(3)(f) or (i) of this section is charged, or to whom 847  
the admission is granted. 848

(2) Physicians, dentists, hospitals, and blood banks operated 849  
by nonprofit institutions and persons licensed to practice 850  
veterinary medicine, surgery, and dentistry are consumers of all 851  
tangible personal property and services purchased by them in 852  
connection with the practice of medicine, dentistry, the rendition 853  
of hospital or blood bank service, or the practice of veterinary 854  
medicine, surgery, and dentistry. In addition to being consumers 855  
of drugs administered by them or by their assistants according to 856  
their direction, veterinarians also are consumers of drugs that 857  
under federal law may be dispensed only by or upon the order of a 858  
licensed veterinarian or physician, when transferred by them to 859  
others for a consideration to provide treatment to animals as 860  
directed by the veterinarian. 861

(3) A person who performs a facility management, or similar 862  
service contract for a contractee is a consumer of all tangible 863  
personal property and services purchased for use in connection 864

with the performance of such contract, regardless of whether title  
to any such property vests in the contractee. The purchase of such  
property and services is not subject to the exception for resale  
under division (E) of this section.

(4)(a) In the case of a person who purchases printed matter  
for the purpose of distributing it or having it distributed to the  
public or to a designated segment of the public, free of charge,  
that person is the consumer of that printed matter, and the  
purchase of that printed matter for that purpose is a sale.

(b) In the case of a person who produces, rather than  
purchases, printed matter for the purpose of distributing it or  
having it distributed to the public or to a designated segment of  
the public, free of charge, that person is the consumer of all  
tangible personal property and services purchased for use or  
consumption in the production of that printed matter. That person  
is not entitled to claim exemption under division (B)(42)(f) of  
section 5739.02 of the Revised Code for any material incorporated  
into the printed matter or any equipment, supplies, or services  
primarily used to produce the printed matter.

(c) The distribution of printed matter to the public or to a  
designated segment of the public, free of charge, is not a sale to  
the members of the public to whom the printed matter is  
distributed or to any persons who purchase space in the printed  
matter for advertising or other purposes.

(5) A person who makes sales of any of the services listed in  
division (B)(3) of this section is the consumer of any tangible  
personal property used in performing the service. The purchase of  
that property is not subject to the resale exception under  
division (E) of this section.

(6) A person who engages in highway transportation for hire

is the consumer of all packaging materials purchased by that 895  
person and used in performing the service, except for packaging 896  
materials sold by such person in a transaction separate from the 897  
service. 898

(7) In the case of a transaction for health care services 899  
under division (B)(11) of this section, a medicaid health insuring 900  
corporation is the consumer of such services. The purchase of such 901  
services by a medicaid health insuring corporation is not subject 902  
to the exception for resale under division (E) of this section or 903  
to the exemptions provided under divisions (B)(12), (18), (19), 904  
and (22) of section 5739.02 of the Revised Code. 905

(E) "Retail sale" and "sales at retail" include all sales, 906  
except those in which the purpose of the consumer is to resell the 907  
thing transferred or benefit of the service provided, by a person 908  
engaging in business, in the form in which the same is, or is to 909  
be, received by the person. 910

(F) "Business" includes any activity engaged in by any person 911  
with the object of gain, benefit, or advantage, either direct or 912  
indirect. "Business" does not include the activity of a person in 913  
managing and investing the person's own funds. 914

(G) "Engaging in business" means commencing, conducting, or 915  
continuing in business, and liquidating a business when the 916  
liquidator thereof holds itself out to the public as conducting 917  
such business. Making a casual sale is not engaging in business. 918

(H)(1)(a) "Price," except as provided in divisions (H)(2), 919  
(3), and (4) of this section, means the total amount of 920  
consideration, including cash, credit, property, and services, for 921  
which tangible personal property or services are sold, leased, or 922  
rented, valued in money, whether received in money or otherwise, 923  
without any deduction for any of the following: 924

(i) The vendor's cost of the property sold;	925
(ii) The cost of materials used, labor or service costs,	926
interest, losses, all costs of transportation to the vendor, all	927
taxes imposed on the vendor, including the tax imposed under	928
Chapter 5751. of the Revised Code, and any other expense of the	929
vendor;	930
(iii) Charges by the vendor for any services necessary to	931
complete the sale;	932
(iv) On and after August 1, 2003, delivery charges. As used	933
in this division, "delivery charges" means charges by the vendor	934
for preparation and delivery to a location designated by the	935
consumer of tangible personal property or a service, including	936
transportation, shipping, postage, handling, crating, and packing.	937
(v) Installation charges;	938
(vi) Credit for any trade-in.	939
(b) "Price" includes consideration received by the vendor	940
from a third party, if the vendor actually receives the	941
consideration from a party other than the consumer, and the	942
consideration is directly related to a price reduction or discount	943
on the sale; the vendor has an obligation to pass the price	944
reduction or discount through to the consumer; the amount of the	945
consideration attributable to the sale is fixed and determinable	946
by the vendor at the time of the sale of the item to the consumer;	947
and one of the following criteria is met:	948
(i) The consumer presents a coupon, certificate, or other	949
document to the vendor to claim a price reduction or discount	950
where the coupon, certificate, or document is authorized,	951
distributed, or granted by a third party with the understanding	952
that the third party will reimburse any vendor to whom the coupon,	953

certificate, or document is presented; 954

(ii) The consumer identifies the consumer's self to the 955  
seller as a member of a group or organization entitled to a price 956  
reduction or discount. A preferred customer card that is available 957  
to any patron does not constitute membership in such a group or 958  
organization. 959

(iii) The price reduction or discount is identified as a 960  
third party price reduction or discount on the invoice received by 961  
the consumer, or on a coupon, certificate, or other document 962  
presented by the consumer. 963

(c) "Price" does not include any of the following: 964

(i) Discounts, including cash, term, or coupons that are not 965  
reimbursed by a third party that are allowed by a vendor and taken 966  
by a consumer on a sale; 967

(ii) Interest, financing, and carrying charges from credit 968  
extended on the sale of tangible personal property or services, if 969  
the amount is separately stated on the invoice, bill of sale, or 970  
similar document given to the purchaser; 971

(iii) Any taxes legally imposed directly on the consumer that 972  
are separately stated on the invoice, bill of sale, or similar 973  
document given to the consumer. For the purpose of this division, 974  
the tax imposed under Chapter 5751. of the Revised Code is not a 975  
tax directly on the consumer, even if the tax or a portion thereof 976  
is separately stated. 977

(iv) Notwithstanding divisions (H)(1)(b)(i) to (iii) of this 978  
section, any discount allowed by an automobile manufacturer to its 979  
employee, or to the employee of a supplier, on the purchase of a 980  
new motor vehicle from a new motor vehicle dealer in this state. 981

(v) The dollar value of a gift card that is not sold by a 982

983 vendor or purchased by a consumer and that is redeemed by the  
984 consumer in purchasing tangible personal property or services if  
985 the vendor is not reimbursed and does not receive compensation  
986 from a third party to cover all or part of the gift card value.  
987 For the purposes of this division, a gift card is not sold by a  
988 vendor or purchased by a consumer if it is distributed pursuant to  
989 an awards, loyalty, or promotional program. Past and present  
990 purchases of tangible personal property or services by the  
991 consumer shall not be treated as consideration exchanged for a  
992 gift card.

993 (2) In the case of a sale of any new motor vehicle by a new  
994 motor vehicle dealer, as defined in section 4517.01 of the Revised  
995 Code, in which another motor vehicle is accepted by the dealer as  
996 part of the consideration received, "price" has the same meaning  
997 as in division (H)(1) of this section, reduced by the credit  
998 afforded the consumer by the dealer for the motor vehicle received  
999 in trade.

1000 (3) In the case of a sale of any watercraft or outboard motor  
1001 by a watercraft dealer licensed in accordance with section  
1002 1547.543 of the Revised Code, in which another watercraft,  
1003 watercraft and trailer, or outboard motor is accepted by the  
1004 dealer as part of the consideration received, "price" has the same  
1005 meaning as in division (H)(1) of this section, reduced by the  
1006 credit afforded the consumer by the dealer for the watercraft,  
1007 watercraft and trailer, or outboard motor received in trade. As  
1008 used in this division, "watercraft" includes an outdrive unit  
1009 attached to the watercraft.

1010 (4) In the case of transactions for health care services  
1011 under division (B)(11) of this section, "price" means the amount  
1012 of managed care premiums received each month by a medicaid health

insuring corporation. 1013

(I) "Receipts" means the total amount of the prices of the 1014  
sales of vendors, provided that the dollar value of gift cards 1015  
distributed pursuant to an awards, loyalty, or promotional 1016  
program, and cash discounts allowed and taken on sales at the time 1017  
they are consummated are not included, minus any amount deducted 1018  
as a bad debt pursuant to section 5739.121 of the Revised Code. 1019  
"Receipts" does not include the sale price of property returned or 1020  
services rejected by consumers when the full sale price and tax 1021  
are refunded either in cash or by credit. 1022

(J) "Place of business" means any location at which a person 1023  
engages in business. 1024

(K) "Premises" includes any real property or portion thereof 1025  
upon which any person engages in selling tangible personal 1026  
property at retail or making retail sales and also includes any 1027  
real property or portion thereof designated for, or devoted to, 1028  
use in conjunction with the business engaged in by such person. 1029

(L) "Casual sale" means a sale of an item of tangible 1030  
personal property that was obtained by the person making the sale, 1031  
through purchase or otherwise, for the person's own use and was 1032  
previously subject to any state's taxing jurisdiction on its sale 1033  
or use, and includes such items acquired for the seller's use that 1034  
are sold by an auctioneer employed directly by the person for such 1035  
purpose, provided the location of such sales is not the 1036  
auctioneer's permanent place of business. As used in this 1037  
division, "permanent place of business" includes any location 1038  
where such auctioneer has conducted more than two auctions during 1039  
the year. 1040

(M) "Hotel" means every establishment kept, used, maintained, 1041  
advertised, or held out to the public to be a place where sleeping 1042

accommodations are offered to guests, in which five or more rooms 1043  
are used for the accommodation of such guests, whether the rooms 1044  
are in one or several structures, except as otherwise provided in 1045  
division (G) of section 5739.09 of the Revised Code. 1046

(N) "Transient guests" means persons occupying a room or 1047  
rooms for sleeping accommodations for less than thirty consecutive 1048  
days. 1049

(O) "Making retail sales" means the effecting of transactions 1050  
wherein one party is obligated to pay the price and the other 1051  
party is obligated to provide a service or to transfer title to or 1052  
possession of the item sold. "Making retail sales" does not 1053  
include the preliminary acts of promoting or soliciting the retail 1054  
sales, other than the distribution of printed matter which 1055  
displays or describes and prices the item offered for sale, nor 1056  
does it include delivery of a predetermined quantity of tangible 1057  
personal property or transportation of property or personnel to or 1058  
from a place where a service is performed. 1059

(P) "Used directly in the rendition of a public utility 1060  
service" means that property that is to be incorporated into and 1061  
will become a part of the consumer's production, transmission, 1062  
transportation, or distribution system and that retains its 1063  
classification as tangible personal property after such 1064  
incorporation; fuel or power used in the production, transmission, 1065  
transportation, or distribution system; and tangible personal 1066  
property used in the repair and maintenance of the production, 1067  
transmission, transportation, or distribution system, including 1068  
only such motor vehicles as are specially designed and equipped 1069  
for such use. Tangible personal property and services used 1070  
primarily in providing highway transportation for hire are not 1071  
used directly in the rendition of a public utility service. In 1072

this definition, "public utility" includes a citizen of the United States holding, and required to hold, a certificate of public convenience and necessity issued under 49 U.S.C. 41102.

(Q) "Refining" means removing or separating a desirable product from raw or contaminated materials by distillation or physical, mechanical, or chemical processes.

(R) "Assembly" and "assembling" mean attaching or fitting together parts to form a product, but do not include packaging a product.

(S) "Manufacturing operation" means a process in which materials are changed, converted, or transformed into a different state or form from which they previously existed and includes refining materials, assembling parts, and preparing raw materials and parts by mixing, measuring, blending, or otherwise committing such materials or parts to the manufacturing process. "Manufacturing operation" does not include packaging.

(T) "Fiscal officer" means, with respect to a regional transit authority, the secretary-treasurer thereof, and with respect to a county that is a transit authority, the fiscal officer of the county transit board if one is appointed pursuant to section 306.03 of the Revised Code or the county auditor if the board of county commissioners operates the county transit system.

(U) "Transit authority" means a regional transit authority created pursuant to section 306.31 of the Revised Code or a county in which a county transit system is created pursuant to section 306.01 of the Revised Code. For the purposes of this chapter, a transit authority must extend to at least the entire area of a single county. A transit authority that includes territory in more than one county must include all the area of the most populous county that is a part of such transit authority. County population

shall be measured by the most recent census taken by the United States census bureau.

(V) "Legislative authority" means, with respect to a regional transit authority, the board of trustees thereof, and with respect to a county that is a transit authority, the board of county commissioners.

(W) "Territory of the transit authority" means all of the area included within the territorial boundaries of a transit authority as they from time to time exist. Such territorial boundaries must at all times include all the area of a single county or all the area of the most populous county that is a part of such transit authority. County population shall be measured by the most recent census taken by the United States census bureau.

(X) "Providing a service" means providing or furnishing anything described in division (B)(3) of this section for consideration.

(Y)(1)(a) "Automatic data processing" means processing of others' data, including keypunching or similar data entry services together with verification thereof, or providing access to computer equipment for the purpose of processing data.

(b) "Computer services" means providing services consisting of specifying computer hardware configurations and evaluating technical processing characteristics, computer programming, and training of computer programmers and operators, provided in conjunction with and to support the sale, lease, or operation of taxable computer equipment or systems.

(c) "Electronic information services" means providing access to computer equipment by means of telecommunications equipment for the purpose of either of the following:

(i) Examining or acquiring data stored in or accessible to 1132  
the computer equipment; 1133

(ii) Placing data into the computer equipment to be retrieved 1134  
by designated recipients with access to the computer equipment. 1135

For transactions occurring on or after the effective date of 1136  
the amendment of this section by H.B. 157 of the 127th general 1137  
assembly, December 21, 2007, "electronic information services" 1138  
does not include electronic publishing as defined in division 1139  
(LLL) of this section. 1140

(d) "Automatic data processing, computer services, or 1141  
electronic information services" shall not include personal or 1142  
professional services. 1143

(2) As used in divisions (B)(3)(e) and (Y)(1) of this 1144  
section, "personal and professional services" means all services 1145  
other than automatic data processing, computer services, or 1146  
electronic information services, including but not limited to: 1147

(a) Accounting and legal services such as advice on tax 1148  
matters, asset management, budgetary matters, quality control, 1149  
information security, and auditing and any other situation where 1150  
the service provider receives data or information and studies, 1151  
alters, analyzes, interprets, or adjusts such material; 1152

(b) Analyzing business policies and procedures; 1153

(c) Identifying management information needs; 1154

(d) Feasibility studies, including economic and technical 1155  
analysis of existing or potential computer hardware or software 1156  
needs and alternatives; 1157

(e) Designing policies, procedures, and custom software for 1158  
collecting business information, and determining how data should 1159

be summarized, sequenced, formatted, processed, controlled, and  
reported so that it will be meaningful to management;

(f) Developing policies and procedures that document how  
business events and transactions are to be authorized, executed,  
and controlled;

(g) Testing of business procedures;

(h) Training personnel in business procedure applications;

(i) Providing credit information to users of such information  
by a consumer reporting agency, as defined in the "Fair Credit  
Reporting Act," 84 Stat. 1114, 1129 (1970), 15 U.S.C. 1681a(f), or  
as hereafter amended, including but not limited to gathering,  
organizing, analyzing, recording, and furnishing such information  
by any oral, written, graphic, or electronic medium;

(j) Providing debt collection services by any oral, written,  
graphic, or electronic means;

(k) Providing digital advertising services.

The services listed in divisions (Y)(2)(a) to (k) of this  
section are not automatic data processing or computer services.

(Z) "Highway transportation for hire" means the  
transportation of personal property belonging to others for  
consideration by any of the following:

(1) The holder of a permit or certificate issued by this  
state or the United States authorizing the holder to engage in  
transportation of personal property belonging to others for  
consideration over or on highways, roadways, streets, or any  
similar public thoroughfare;

(2) A person who engages in the transportation of personal  
property belonging to others for consideration over or on

highways, roadways, streets, or any similar public thoroughfare 1188  
but who could not have engaged in such transportation on December 1189  
11, 1985, unless the person was the holder of a permit or 1190  
certificate of the types described in division (Z)(1) of this 1191  
section; 1192

(3) A person who leases a motor vehicle to and operates it 1193  
for a person described by division (Z)(1) or (2) of this section. 1194

(AA)(1) "Telecommunications service" means the electronic 1195  
transmission, conveyance, or routing of voice, data, audio, video, 1196  
or any other information or signals to a point, or between or 1197  
among points. "Telecommunications service" includes such 1198  
transmission, conveyance, or routing in which computer processing 1199  
applications are used to act on the form, code, or protocol of the 1200  
content for purposes of transmission, conveyance, or routing 1201  
without regard to whether the service is referred to as voice-over 1202  
internet protocol service or is classified by the federal 1203  
communications commission as enhanced or value-added. 1204  
"Telecommunications service" does not include any of the 1205  
following: 1206

(a) Data processing and information services that allow data 1207  
to be generated, acquired, stored, processed, or retrieved and 1208  
delivered by an electronic transmission to a consumer where the 1209  
consumer's primary purpose for the underlying transaction is the 1210  
processed data or information; 1211

(b) Installation or maintenance of wiring or equipment on a 1212  
customer's premises; 1213

(c) Tangible personal property; 1214

(d) Advertising, including directory advertising; 1215

(e) Billing and collection services provided to third 1216

parties; 1217

(f) Internet access service; 1218

(g) Radio and television audio and video programming 1219  
services, regardless of the medium, including the furnishing of 1220  
transmission, conveyance, and routing of such services by the 1221  
programming service provider. Radio and television audio and video 1222  
programming services include, but are not limited to, cable 1223  
service, as defined in 47 U.S.C. 522(6), and audio and video 1224  
programming services delivered by commercial mobile radio service 1225  
providers, as defined in 47 C.F.R. 20.3; 1226

(h) Ancillary service; 1227

(i) Digital products delivered electronically, including 1228  
software, music, video, reading materials, or ring tones. 1229

(2) "Ancillary service" means a service that is associated 1230  
with or incidental to the provision of telecommunications service, 1231  
including conference bridging service, detailed telecommunications 1232  
billing service, directory assistance, vertical service, and voice 1233  
mail service. As used in this division: 1234

(a) "Conference bridging service" means an ancillary service 1235  
that links two or more participants of an audio or video 1236  
conference call, including providing a telephone number. 1237  
"Conference bridging service" does not include telecommunications 1238  
services used to reach the conference bridge. 1239

(b) "Detailed telecommunications billing service" means an 1240  
ancillary service of separately stating information pertaining to 1241  
individual calls on a customer's billing statement. 1242

(c) "Directory assistance" means an ancillary service of 1243  
providing telephone number or address information. 1244

(d) "Vertical service" means an ancillary service that is 1245  
offered in connection with one or more telecommunications 1246  
services, which offers advanced calling features that allow 1247  
customers to identify callers and manage multiple calls and call 1248  
connections, including conference bridging service. 1249

(e) "Voice mail service" means an ancillary service that 1250  
enables the customer to store, send, or receive recorded messages. 1251  
"Voice mail service" does not include any vertical services that 1252  
the customer may be required to have in order to utilize the voice 1253  
mail service. 1254

(3) "900 service" means an inbound toll telecommunications 1255  
service purchased by a subscriber that allows the subscriber's 1256  
customers to call in to the subscriber's prerecorded announcement 1257  
or live service, and which is typically marketed under the name 1258  
"900 service" and any subsequent numbers designated by the federal 1259  
communications commission. "900 service" does not include the 1260  
charge for collection services provided by the seller of the 1261  
telecommunications service to the subscriber, or services or 1262  
products sold by the subscriber to the subscriber's customer. 1263

(4) "Prepaid calling service" means the right to access 1264  
exclusively telecommunications services, which must be paid for in 1265  
advance and which enables the origination of calls using an access 1266  
number or authorization code, whether manually or electronically 1267  
dialed, and that is sold in predetermined units or dollars of 1268  
which the number declines with use in a known amount. 1269

(5) "Prepaid wireless calling service" means a 1270  
telecommunications service that provides the right to utilize 1271  
mobile telecommunications service as well as other 1272  
non-telecommunications services, including the download of digital 1273  
products delivered electronically, and content and ancillary 1274

services, that must be paid for in advance and that is sold in 1275  
predetermined units or dollars of which the number declines with 1276  
use in a known amount. 1277

(6) "Value-added non-voice data service" means a 1278  
telecommunications service in which computer processing 1279  
applications are used to act on the form, content, code, or 1280  
protocol of the information or data primarily for a purpose other 1281  
than transmission, conveyance, or routing. 1282

(7) "Coin-operated telephone service" means a 1283  
telecommunications service paid for by inserting money into a 1284  
telephone accepting direct deposits of money to operate. 1285

(8) "Customer" has the same meaning as in section 5739.034 of 1286  
the Revised Code. 1287

(BB) "Laundry and dry cleaning services" means removing soil 1288  
or dirt from towels, linens, articles of clothing, or other fabric 1289  
items that belong to others and supplying towels, linens, articles 1290  
of clothing, or other fabric items. "Laundry and dry cleaning 1291  
services" does not include the provision of self-service 1292  
facilities for use by consumers to remove soil or dirt from 1293  
towels, linens, articles of clothing, or other fabric items. 1294

(CC) "Magazines distributed as controlled circulation 1295  
publications" means magazines containing at least twenty-four 1296  
pages, at least twenty-five per cent editorial content, issued at 1297  
regular intervals four or more times a year, and circulated 1298  
without charge to the recipient, provided that such magazines are 1299  
not owned or controlled by individuals or business concerns which 1300  
conduct such publications as an auxiliary to, and essentially for 1301  
the advancement of the main business or calling of, those who own 1302  
or control them. 1303

(DD) "Landscaping and lawn care service" means the services 1304  
of planting, seeding, sodding, removing, cutting, trimming, 1305  
pruning, mulching, aerating, applying chemicals, watering, 1306  
fertilizing, and providing similar services to establish, promote, 1307  
or control the growth of trees, shrubs, flowers, grass, ground 1308  
cover, and other flora, or otherwise maintaining a lawn or 1309  
landscape grown or maintained by the owner for ornamentation or 1310  
other nonagricultural purpose. However, "landscaping and lawn care 1311  
service" does not include the providing of such services by a 1312  
person who has less than five thousand dollars in sales of such 1313  
services during the calendar year. 1314

(EE) "Private investigation and security service" means the 1315  
performance of any activity for which the provider of such service 1316  
is required to be licensed pursuant to Chapter 4749. of the 1317  
Revised Code, or would be required to be so licensed in performing 1318  
such services in this state, and also includes the services of 1319  
conducting polygraph examinations and of monitoring or overseeing 1320  
the activities on or in, or the condition of, the consumer's home, 1321  
business, or other facility by means of electronic or similar 1322  
monitoring devices. "Private investigation and security service" 1323  
does not include special duty services provided by off-duty police 1324  
officers, deputy sheriffs, and other peace officers regularly 1325  
employed by the state or a political subdivision. 1326

(FF) "Information services" means providing conversation, 1327  
giving consultation or advice, playing or making a voice or other 1328  
recording, making or keeping a record of the number of callers, 1329  
and any other service provided to a consumer by means of a nine 1330  
hundred telephone call, except when the nine hundred telephone 1331  
call is the means by which the consumer makes a contribution to a 1332  
recognized charity. 1333

(GG) "Research and development" means designing, creating, or 1334  
formulating new or enhanced products, equipment, or manufacturing 1335  
processes, and also means conducting scientific or technological 1336  
inquiry and experimentation in the physical sciences with the goal 1337  
of increasing scientific knowledge which may reveal the bases for 1338  
new or enhanced products, equipment, or manufacturing processes. 1339

(HH) "Qualified research and development equipment" means 1340  
capitalized tangible personal property, and leased personal 1341  
property that would be capitalized if purchased, used by a person 1342  
primarily to perform research and development. Tangible personal 1343  
property primarily used in testing, as defined in division (A)(4) 1344  
of section 5739.011 of the Revised Code, or used for recording or 1345  
storing test results, is not qualified research and development 1346  
equipment unless such property is primarily used by the consumer 1347  
in testing the product, equipment, or manufacturing process being 1348  
created, designed, or formulated by the consumer in the research 1349  
and development activity or in recording or storing such test 1350  
results. 1351

(II) "Building maintenance and janitorial service" means 1352  
cleaning the interior or exterior of a building and any tangible 1353  
personal property located therein or thereon, including any 1354  
services incidental to such cleaning for which no separate charge 1355  
is made. However, "building maintenance and janitorial service" 1356  
does not include the providing of such service by a person who has 1357  
less than five thousand dollars in sales of such service during 1358  
the calendar year. As used in this division, "cleaning" does not 1359  
include sanitation services necessary for an establishment 1360  
described in 21 U.S.C. 608 to comply with rules and regulations 1361  
adopted pursuant to that section. 1362

(JJ) "Employment service" means providing or supplying 1363

personnel, on a temporary or long-term basis, to perform work or  
labor under the supervision or control of another, when the  
personnel so provided or supplied receive their wages, salary, or  
other compensation from the provider or supplier of the employment  
service or from a third party that provided or supplied the  
personnel to the provider or supplier. "Employment service" does  
not include:

(1) Acting as a contractor or subcontractor, where the  
personnel performing the work are not under the direct control of  
the purchaser.

(2) Medical and health care services.

(3) Supplying personnel to a purchaser pursuant to a contract  
of at least one year between the service provider and the  
purchaser that specifies that each employee covered under the  
contract is assigned to the purchaser on a permanent basis.

(4) Transactions between members of an affiliated group, as  
defined in division (B)(3)(e) of this section.

(5) Transactions where the personnel so provided or supplied  
by a provider or supplier to a purchaser of an employment service  
are then provided or supplied by that purchaser to a third party  
as an employment service, except "employment service" does include  
the transaction between that purchaser and the third party.

(KK) "Employment placement service" means locating or finding  
employment for a person or finding or locating an employee to fill  
an available position.

(LL) "Exterminating service" means eradicating or attempting  
to eradicate vermin infestations from a building or structure, or  
the area surrounding a building or structure, and includes  
activities to inspect, detect, or prevent vermin infestation of a

building or structure. 1393

(MM) "Physical fitness facility service" means all 1394  
transactions by which a membership is granted, maintained, or 1395  
renewed, including initiation fees, membership dues, renewal fees, 1396  
monthly minimum fees, and other similar fees and dues, by a 1397  
physical fitness facility such as an athletic club, health spa, or 1398  
gymnasium, which entitles the member to use the facility for 1399  
physical exercise. 1400

(NN) "Recreation and sports club service" means all 1401  
transactions by which a membership is granted, maintained, or 1402  
renewed, including initiation fees, membership dues, renewal fees, 1403  
monthly minimum fees, and other similar fees and dues, by a 1404  
recreation and sports club, which entitles the member to use the 1405  
facilities of the organization. "Recreation and sports club" means 1406  
an organization that has ownership of, or controls or leases on a 1407  
continuing, long-term basis, the facilities used by its members 1408  
and includes an aviation club, gun or shooting club, yacht club, 1409  
card club, swimming club, tennis club, golf club, country club, 1410  
riding club, amateur sports club, or similar organization. 1411

(OO) "Livestock" means farm animals commonly raised for food, 1412  
food production, or other agricultural purposes, including, but 1413  
not limited to, cattle, sheep, goats, swine, poultry, and captive 1414  
deer. "Livestock" does not include invertebrates, amphibians, 1415  
reptiles, domestic pets, animals for use in laboratories or for 1416  
exhibition, or other animals not commonly raised for food or food 1417  
production. 1418

(PP) "Livestock structure" means a building or structure used 1419  
exclusively for the housing, raising, feeding, or sheltering of 1420  
livestock, and includes feed storage or handling structures and 1421  
structures for livestock waste handling. 1422

(QQ) "Horticulture" means the growing, cultivation, and 1423  
production of flowers, fruits, herbs, vegetables, sod, mushrooms, 1424  
and nursery stock. As used in this division, "nursery stock" has 1425  
the same meaning as in section 927.51 of the Revised Code. 1426

(RR) "Horticulture structure" means a building or structure 1427  
used exclusively for the commercial growing, raising, or 1428  
overwintering of horticultural products, and includes the area 1429  
used for stocking, storing, and packing horticultural products 1430  
when done in conjunction with the production of those products. 1431

(SS) "Newspaper" means an unbound publication bearing a title 1432  
or name that is regularly published, at least as frequently as 1433  
biweekly, and distributed from a fixed place of business to the 1434  
public in a specific geographic area, and that contains a 1435  
substantial amount of news matter of international, national, or 1436  
local events of interest to the general public. 1437

(TT) "Professional racing team" means a person that employs 1438  
at least twenty full-time employees for the purpose of conducting 1439  
a motor vehicle racing business for profit. The person must 1440  
conduct the business with the purpose of racing one or more motor 1441  
racing vehicles in at least ten competitive professional racing 1442  
events each year that comprise all or part of a motor racing 1443  
series sanctioned by one or more motor racing sanctioning 1444  
organizations. A "motor racing vehicle" means a vehicle for which 1445  
the chassis, engine, and parts are designed exclusively for motor 1446  
racing, and does not include a stock or production model vehicle 1447  
that may be modified for use in racing. For the purposes of this 1448  
division: 1449

(1) A "competitive professional racing event" is a motor 1450  
vehicle racing event sanctioned by one or more motor racing 1451  
sanctioning organizations, at which aggregate cash prizes in 1452

excess of eight hundred thousand dollars are awarded to the 1453  
competitors. 1454

(2) "Full-time employee" means an individual who is employed 1455  
for consideration for thirty-five or more hours a week, or who 1456  
renders any other standard of service generally accepted by custom 1457  
or specified by contract as full-time employment. 1458

(UU)(1) "Lease" or "rental" means any transfer of the 1459  
possession or control of tangible personal property for a fixed or 1460  
indefinite term, for consideration. "Lease" or "rental" includes 1461  
future options to purchase or extend, and agreements described in 1462  
26 U.S.C. 7701(h)(1) covering motor vehicles and trailers where 1463  
the amount of consideration may be increased or decreased by 1464  
reference to the amount realized upon the sale or disposition of 1465  
the property. "Lease" or "rental" does not include: 1466

(a) A transfer of possession or control of tangible personal 1467  
property under a security agreement or a deferred payment plan 1468  
that requires the transfer of title upon completion of the 1469  
required payments; 1470

(b) A transfer of possession or control of tangible personal 1471  
property under an agreement that requires the transfer of title 1472  
upon completion of required payments and payment of an option 1473  
price that does not exceed the greater of one hundred dollars or 1474  
one per cent of the total required payments; 1475

(c) Providing tangible personal property along with an 1476  
operator for a fixed or indefinite period of time, if the operator 1477  
is necessary for the property to perform as designed. For purposes 1478  
of this division, the operator must do more than maintain, 1479  
inspect, or set up the tangible personal property. 1480

(2) "Lease" and "rental," as defined in division (UU) of this 1481

section, shall not apply to leases or rentals that exist before 1482  
June 26, 2003. 1483

(3) "Lease" and "rental" have the same meaning as in division 1484  
(UU)(1) of this section regardless of whether a transaction is 1485  
characterized as a lease or rental under generally accepted 1486  
accounting principles, the Internal Revenue Code, Title XIII of 1487  
the Revised Code, or other federal, state, or local laws. 1488

(VV) "Mobile telecommunications service" has the same meaning 1489  
as in the "Mobile Telecommunications Sourcing Act," Pub. L. No. 1490  
106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as amended, and, 1491  
on and after August 1, 2003, includes related fees and ancillary 1492  
services, including universal service fees, detailed billing 1493  
service, directory assistance, service initiation, voice mail 1494  
service, and vertical services, such as caller ID and three-way 1495  
calling. 1496

(WW) "Certified service provider" has the same meaning as in 1497  
section 5740.01 of the Revised Code. 1498

(XX) "Satellite broadcasting service" means the distribution 1499  
or broadcasting of programming or services by satellite directly 1500  
to the subscriber's receiving equipment without the use of ground 1501  
receiving or distribution equipment, except the subscriber's 1502  
receiving equipment or equipment used in the uplink process to the 1503  
satellite, and includes all service and rental charges, premium 1504  
channels or other special services, installation and repair 1505  
service charges, and any other charges having any connection with 1506  
the provision of the satellite broadcasting service. 1507

(YY) "Tangible personal property" means personal property 1508  
that can be seen, weighed, measured, felt, or touched, or that is 1509  
in any other manner perceptible to the senses. For purposes of 1510  
this chapter and Chapter 5741. of the Revised Code, "tangible 1511

personal property" includes motor vehicles, electricity, water, 1512  
gas, steam, and prewritten computer software. 1513

(ZZ) "Municipal gas utility" means a municipal corporation 1514  
that owns or operates a system for the distribution of natural 1515  
gas. 1516

(AAA) "Computer" means an electronic device that accepts 1517  
information in digital or similar form and manipulates it for a 1518  
result based on a sequence of instructions. 1519

(BBB) "Computer software" means a set of coded instructions 1520  
designed to cause a computer or automatic data processing 1521  
equipment to perform a task. 1522

(CCC) "Delivered electronically" means delivery of computer 1523  
software from the seller to the purchaser by means other than 1524  
tangible storage media. 1525

(DDD) "Prewritten computer software" means computer software, 1526  
including prewritten upgrades, that is not designed and developed 1527  
by the author or other creator to the specifications of a specific 1528  
purchaser. The combining of two or more prewritten computer 1529  
software programs or prewritten portions thereof does not cause 1530  
the combination to be other than prewritten computer software. 1531  
"Prewritten computer software" includes software designed and 1532  
developed by the author or other creator to the specifications of 1533  
a specific purchaser when it is sold to a person other than the 1534  
purchaser. If a person modifies or enhances computer software of 1535  
which the person is not the author or creator, the person shall be 1536  
deemed to be the author or creator only of such person's 1537  
modifications or enhancements. Prewritten computer software or a 1538  
prewritten portion thereof that is modified or enhanced to any 1539  
degree, where such modification or enhancement is designed and 1540  
developed to the specifications of a specific purchaser, remains 1541

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prewritten computer software; provided, however, that where there  
is a reasonable, separately stated charge or an invoice or other  
statement of the price given to the purchaser for the modification  
or enhancement, the modification or enhancement shall not  
constitute prewritten computer software.

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(EEE)(1) "Food" means substances, whether in liquid,  
concentrated, solid, frozen, dried, or dehydrated form, that are  
sold for ingestion or chewing by humans and are consumed for their  
taste or nutritional value. "Food" does not include alcoholic  
beverages, dietary supplements, soft drinks, or tobacco.

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(2) As used in division (EEE)(1) of this section:

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(a) "Alcoholic beverages" means beverages that are suitable  
for human consumption and contain one-half of one per cent or more  
of alcohol by volume.

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(b) "Dietary supplements" means any product, other than  
tobacco, that is intended to supplement the diet and that is  
intended for ingestion in tablet, capsule, powder, softgel,  
gelcap, or liquid form, or, if not intended for ingestion in such  
a form, is not represented as conventional food for use as a sole  
item of a meal or of the diet; that is required to be labeled as a  
dietary supplement, identifiable by the "supplement facts" box  
found on the label, as required by 21 C.F.R. 101.36; and that  
contains one or more of the following dietary ingredients:

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(i) A vitamin;

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(ii) A mineral;

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(iii) An herb or other botanical;

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(iv) An amino acid;

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(v) A dietary substance for use by humans to supplement the

diet by increasing the total dietary intake; 1570

(vi) A concentrate, metabolite, constituent, extract, or 1571  
combination of any ingredient described in divisions 1572  
(EEE)(2)(b)(i) to (v) of this section. 1573

(c) "Soft drinks" means nonalcoholic beverages that contain 1574  
natural or artificial sweeteners. "Soft drinks" does not include 1575  
beverages that contain milk or milk products, soy, rice, or 1576  
similar milk substitutes, or that contains greater than fifty per 1577  
cent vegetable or fruit juice by volume. 1578

(d) "Tobacco" means cigarettes, cigars, chewing or pipe 1579  
tobacco, or any other item that contains tobacco. 1580

(FFF) "Drug" means a compound, substance, or preparation, and 1581  
any component of a compound, substance, or preparation, other than 1582  
food, dietary supplements, or alcoholic beverages that is 1583  
recognized in the official United States pharmacopoeia, official 1584  
homeopathic pharmacopoeia of the United States, or official 1585  
national formulary, and supplements to them; is intended for use 1586  
in the diagnosis, cure, mitigation, treatment, or prevention of 1587  
disease; or is intended to affect the structure or any function of 1588  
the body. 1589

(GGG) "Prescription" means an order, formula, or recipe 1590  
issued in any form of oral, written, electronic, or other means of 1591  
transmission by a duly licensed practitioner authorized by the 1592  
laws of this state to issue a prescription. 1593

(HHH) "Durable medical equipment" means equipment, including 1594  
repair and replacement parts for such equipment, that can 1595  
withstand repeated use, is primarily and customarily used to serve 1596  
a medical purpose, generally is not useful to a person in the 1597  
absence of illness or injury, and is not worn in or on the body. 1598

"Durable medical equipment" does not include mobility enhancing  
equipment. 1599  
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(III) "Mobility enhancing equipment" means equipment, 1601  
including repair and replacement parts for such equipment, that is 1602  
primarily and customarily used to provide or increase the ability 1603  
to move from one place to another and is appropriate for use 1604  
either in a home or a motor vehicle, that is not generally used by 1605  
persons with normal mobility, and that does not include any motor 1606  
vehicle or equipment on a motor vehicle normally provided by a 1607  
motor vehicle manufacturer. "Mobility enhancing equipment" does 1608  
not include durable medical equipment. 1609

(JJJ) "Prosthetic device" means a replacement, corrective, or 1610  
supportive device, including repair and replacement parts for the 1611  
device, worn on or in the human body to artificially replace a 1612  
missing portion of the body, prevent or correct physical deformity 1613  
or malfunction, or support a weak or deformed portion of the body. 1614  
As used in this division, before July 1, 2019, "prosthetic device" 1615  
does not include corrective eyeglasses, contact lenses, or dental 1616  
prosthesis. On or after July 1, 2019, "prosthetic device" does not 1617  
include dental prosthesis but does include corrective eyeglasses 1618  
or contact lenses. 1619

(KKK)(1) "Fractional aircraft ownership program" means a 1620  
program in which persons within an affiliated group sell and 1621  
manage fractional ownership program aircraft, provided that at 1622  
least one hundred airworthy aircraft are operated in the program 1623  
and the program meets all of the following criteria: 1624

(a) Management services are provided by at least one program 1625  
manager within an affiliated group on behalf of the fractional 1626  
owners. 1627

(b) Each program aircraft is owned or possessed by at least 1628

one fractional owner. 1629

(c) Each fractional owner owns or possesses at least a 1630  
one-sixteenth interest in at least one fixed-wing program 1631  
aircraft. 1632

(d) A dry-lease aircraft interchange arrangement is in effect 1633  
among all of the fractional owners. 1634

(e) Multi-year program agreements are in effect regarding the 1635  
fractional ownership, management services, and dry-lease aircraft 1636  
interchange arrangement aspects of the program. 1637

(2) As used in division (KKK)(1) of this section: 1638

(a) "Affiliated group" has the same meaning as in division 1639  
(B)(3)(e) of this section. 1640

(b) "Fractional owner" means a person that owns or possesses 1641  
at least a one-sixteenth interest in a program aircraft and has 1642  
entered into the agreements described in division (KKK)(1)(e) of 1643  
this section. 1644

(c) "Fractional ownership program aircraft" or "program 1645  
aircraft" means a turbojet aircraft that is owned or possessed by 1646  
a fractional owner and that has been included in a dry-lease 1647  
aircraft interchange arrangement and agreement under divisions 1648  
(KKK)(1)(d) and (e) of this section, or an aircraft a program 1649  
manager owns or possesses primarily for use in a fractional 1650  
aircraft ownership program. 1651

(d) "Management services" means administrative and aviation 1652  
support services furnished under a fractional aircraft ownership 1653  
program in accordance with a management services agreement under 1654  
division (KKK)(1)(e) of this section, and offered by the program 1655  
manager to the fractional owners, including, at a minimum, the 1656  
establishment and implementation of safety guidelines; the 1657

coordination of the scheduling of the program aircraft and crews; 1658  
program aircraft maintenance; program aircraft insurance; crew 1659  
training for crews employed, furnished, or contracted by the 1660  
program manager or the fractional owner; the satisfaction of 1661  
record-keeping requirements; and the development and use of an 1662  
operations manual and a maintenance manual for the fractional 1663  
aircraft ownership program. 1664

(e) "Program manager" means the person that offers management 1665  
services to fractional owners pursuant to a management services 1666  
agreement under division (KKK)(1)(e) of this section. 1667

(LLL) "Electronic publishing" means providing access to one 1668  
or more of the following primarily for business customers, 1669  
including the federal government or a state government or a 1670  
political subdivision thereof, to conduct research: news; 1671  
business, financial, legal, consumer, or credit materials; 1672  
editorials, columns, reader commentary, or features; photos or 1673  
images; archival or research material; legal notices, identity 1674  
verification, or public records; scientific, educational, 1675  
instructional, technical, professional, trade, or other literary 1676  
materials; or other similar information which has been gathered 1677  
and made available by the provider to the consumer in an 1678  
electronic format. Providing electronic publishing includes the 1679  
functions necessary for the acquisition, formatting, editing, 1680  
storage, and dissemination of data or information that is the 1681  
subject of a sale. 1682

(MMM) "Medicaid health insuring corporation" means a health 1683  
insuring corporation that holds a certificate of authority under 1684  
Chapter 1751. of the Revised Code and is under contract with the 1685  
department of medicaid pursuant to section 5167.10 of the Revised 1686  
Code. 1687

(NNN) "Managed care premium" means any premium, capitation, 1688  
or other payment a medicaid health insuring corporation receives 1689  
for providing or arranging for the provision of health care 1690  
services to its members or enrollees residing in this state. 1691

(OOO) "Captive deer" means deer and other cervidae that have 1692  
been legally acquired, or their offspring, that are privately 1693  
owned for agricultural or farming purposes. 1694

(PPP) "Gift card" means a document, card, certificate, or 1695  
other record, whether tangible or intangible, that may be redeemed 1696  
by a consumer for a dollar value when making a purchase of 1697  
tangible personal property or services. 1698

(QQQ) "Specified digital product" means an electronically 1699  
transferred digital audiovisual work, digital audio work, or 1700  
digital book. 1701

As used in division (QQQ) of this section: 1702

(1) "Digital audiovisual work" means a series of related 1703  
images that, when shown in succession, impart an impression of 1704  
motion, together with accompanying sounds, if any. 1705

(2) "Digital audio work" means a work that results from the 1706  
fixation of a series of musical, spoken, or other sounds, 1707  
including digitized sound files that are downloaded onto a device 1708  
and that may be used to alert the customer with respect to a 1709  
communication. 1710

(3) "Digital book" means a work that is generally recognized 1711  
in the ordinary and usual sense as a book. 1712

(4) "Electronically transferred" means obtained by the 1713  
purchaser by means other than tangible storage media. 1714

(RRR) "Digital advertising services" means providing access, 1715

by means of telecommunications equipment, to computer equipment 1716  
 that is used to enter, upload, download, review, manipulate, 1717  
 store, add, or delete data for the purpose of electronically 1718  
 displaying, delivering, placing, or transferring promotional 1719  
 advertisements to potential customers about products or services 1720  
 or about industry or business brands. 1721

**Section 2.** That existing sections 107.036, 122.174, 5725.98, 1722  
 5729.98, and 5739.01 of the Revised Code are hereby repealed." 1723

In line 87, delete "2." and insert "3." 1724

In line 94, delete "3." and insert "4." 1725

In line 118, delete "4." and insert "5." 1726

In line 136, delete "5." and insert "6." 1727

In line 147, delete "6." and insert "7." 1728

In line 304, delete "7." and insert "8." 1729

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**DSA: Rural growth investment credit** 1730

**R.C. 122.15, 122.151, 122.152, 122.153, 122.154, 122.155, and** 1731  
**122.156 (enacted); R.C. 107.036, 122.174, 5725.98, and 5729.98** 1732  
**(amended)** 1733

Authorizes a nonrefundable tax credit for insurance companies 1734  
 that make loans to or investments in special purpose "rural 1735  
 business growth funds" that are certified by the Development 1736  
 Services Agency (DSA) and provide access to capital for certain 1737  
 types of businesses with substantial operations in Ohio counties 1738

with populations less than 200,000.	1739
Specifies that the credit equals the amount of the investor's	1740
"credit-eligible capital contribution" and is spread evenly over a	1741
four-year period beginning three years after the date of the	1742
contribution. Limits the total amount of credits that may be	1743
awarded under the program to \$45 million.	1744
Stipulates procedures and requirements related to certifying	1745
a rural business growth fund and of dividing the available credits	1746
among applicants for certification. Specifies that the credit is	1747
contingent upon a certified fund meeting certain investment	1748
thresholds, paying an annual fee, and periodically reporting on	1749
the status of its investments.	1750
Requires DSA to recapture credits awarded to investors in	1751
certified funds that fail to meet and maintain the investment	1752
thresholds or that fail to comply with other requirements of the	1753
program. Establishes a process by which a fund may decertify and,	1754
thereafter, no longer be subject to the requirements of the	1755
program. Imposes a penalty upon funds that decertify without	1756
having met certain job creation and retention benchmarks.	1757
<b>Sales tax exemption for eyeglasses and contacts</b>	1758
<b>R.C. 5739.01(JJJ)</b>	1759
Exempts corrective eyeglasses and contact lenses from sales	1760
and use tax beginning July 1, 2019.	1761



Am. Sub. S.B. 8

## As Passed by the House

\_\_\_\_\_ moved to amend as follows:

In line 1 of the title, after "To" insert "amend section 1  
5733.40, to"; after "Code" insert a comma 2

In line 8 of the title, after the comma insert "to provide 3  
that wages and guaranteed payments paid by a professional employer 4  
organization to the owner of a pass-through entity that has 5  
contracted with the organization may be considered business 6  
income," 7

In line 11, after "That" insert "section 5733.40 be amended 8  
and" 9

Between lines 86 and 87, insert: 10

"**Sec. 5733.40.** As used in sections 5733.40 and 5733.41 and 11  
Chapter 5747. of the Revised Code: 12

(A)(1) "Adjusted qualifying amount" means either of the 13  
following: 14

(a) The sum of each qualifying investor's distributive share 15  
of the income, gain, expense, or loss of a qualifying pass-through 16  
entity for the qualifying taxable year of the qualifying 17  
pass-through entity multiplied by the apportionment fraction 18  
defined in division (B) of this section, subject to section 19  
5733.401 of the Revised Code and divisions (A)(2) to (7) of this 20

section; 21

(b) The sum of each qualifying beneficiary's share of the 22  
qualifying net income and qualifying net gain distributed by a 23  
qualifying trust for the qualifying taxable year of the qualifying 24  
trust multiplied by the apportionment fraction defined in division 25  
(B) of this section, subject to section 5733.401 of the Revised 26  
Code and divisions (A)(2) to (7) of this section. 27

(2) The sum shall exclude any amount which, pursuant to the 28  
Constitution of the United States, the Constitution of Ohio, or 29  
any federal law is not subject to a tax on or measured by net 30  
income. 31

(3) For the purposes of Chapters 5733. and 5747. of the 32  
Revised Code, the profit or net income of the qualifying entity 33  
shall be increased by disallowing all amounts representing 34  
expenses, other than amounts described in division (A)(7) of this 35  
section, that the qualifying entity paid to or incurred with 36  
respect to direct or indirect transactions with one or more 37  
related members, excluding the cost of goods sold calculated in 38  
accordance with section 263A of the Internal Revenue Code and 39  
United States department of the treasury regulations issued 40  
thereunder. Nothing in division (A)(3) of this section shall be 41  
construed to limit solely to this chapter the application of 42  
section 263A of the Internal Revenue Code and United States 43  
department of the treasury regulations issued thereunder. 44

(4) For the purposes of Chapters 5733. and 5747. of the 45  
Revised Code, the profit or net income of the qualifying entity 46  
shall be increased by disallowing all recognized losses, other 47  
than losses from sales of inventory the cost of which is 48  
calculated in accordance with section 263A of the Internal Revenue 49  
Code and United States department of the treasury regulations 50

issued thereunder, with respect to all direct or indirect  
transactions with one or more related members. For the purposes of  
Chapters 5733. and 5747. of the Revised Code, losses from the  
sales of such inventory shall be allowed only to the extent  
calculated in accordance with section 482 of the Internal Revenue  
Code and United States department of the treasury regulations  
issued thereunder. Nothing in division (A)(4) of this section  
shall be construed to limit solely to this section the application  
of section 263A and section 482 of the Internal Revenue Code and  
United States department of the treasury regulations issued  
thereunder.

(5) The sum shall be increased or decreased by an amount  
equal to the qualifying investor's or qualifying beneficiary's  
distributive or proportionate share of the amount that the  
qualifying entity would be required to add or deduct under  
divisions (A)(20) and (21) of section 5747.01 of the Revised Code  
if the qualifying entity were a taxpayer for the purposes of  
Chapter 5747. of the Revised Code.

(6) The sum shall be computed without regard to section  
5733.051 or division (D) of section 5733.052 of the Revised Code.

(7) For the purposes of Chapters 5733. and 5747. of the  
Revised Code, guaranteed payments or compensation paid to  
investors by a qualifying entity that is not subject to the tax  
imposed by section 5733.06 of the Revised Code shall be considered  
a distributive share of income of the qualifying entity. Division  
(A)(7) of this section applies only to such payments or such  
compensation paid to an investor who at any time during the  
qualifying entity's taxable year holds at least a twenty per cent  
direct or indirect interest in the profits or capital of the  
qualifying entity. For the purposes of this division, guaranteed

payments and compensation shall be considered to be paid to an  
investor by a qualifying entity if the qualifying entity in which  
the investor holds at least a twenty per cent direct or indirect  
interest is a client employer of a professional employer  
organization, as those terms are defined in section 4125.01 of the  
Revised Code, and the guaranteed payments or compensation are paid  
to the investor by that professional employer organization.

(B) "Apportionment fraction" means:

(1) With respect to a qualifying pass-through entity other than a financial institution, the fraction calculated pursuant to division (B)(2) of section 5733.05 of the Revised Code as if the qualifying pass-through entity were a corporation subject to the tax imposed by section 5733.06 of the Revised Code;

(2) With respect to a qualifying pass-through entity that is a financial institution, the fraction calculated pursuant to division (C) of section 5733.056 of the Revised Code as if the qualifying pass-through entity were a financial institution subject to the tax imposed by section 5733.06 of the Revised Code.

(3) With respect to a qualifying trust, the fraction calculated pursuant to division (B)(2) of section 5733.05 of the Revised Code as if the qualifying trust were a corporation subject to the tax imposed by section 5733.06 of the Revised Code, except that the property, payroll, and sales fractions shall be calculated by including in the numerator and denominator of the fractions only the property, payroll, and sales, respectively, directly related to the production of income or gain from acquisition, ownership, use, maintenance, management, or disposition of tangible personal property located in this state at any time during the qualifying trust's qualifying taxable year or of real property located in this state.

(C) "Qualifying beneficiary" means any individual that, 111  
during the qualifying taxable year of a qualifying trust, is a 112  
beneficiary of that trust, but does not include an individual who 113  
is a resident taxpayer for the purposes of Chapter 5747. of the 114  
Revised Code for the entire qualifying taxable year of the 115  
qualifying trust. 116

(D) "Fiscal year" means an accounting period ending on any 117  
day other than the thirty-first day of December. 118

(E) "Individual" means a natural person. 119

(F) "Month" means a calendar month. 120

(G) "Partnership" has the same meaning as in section 5747.01 121  
of the Revised Code. 122

(H) "Investor" means any person that, during any portion of a 123  
taxable year of a qualifying pass-through entity, is a partner, 124  
member, shareholder, or investor in that qualifying pass-through 125  
entity. 126

(I) Except as otherwise provided in section 5733.402 or 127  
5747.401 of the Revised Code, "qualifying investor" means any 128  
investor except those described in divisions (I)(1) to (9) of this 129  
section. 130

(1) An investor satisfying one of the descriptions under 131  
section 501(a) or (c) of the Internal Revenue Code, a partnership 132  
with equity securities registered with the United States 133  
securities and exchange commission under section 12 of the 134  
"Securities Exchange Act of 1934," as amended, or an investor 135  
described in division (F) of section 3334.01, or division (A) or 136  
(C) of section 5733.09 of the Revised Code for the entire 137  
qualifying taxable year of the qualifying pass-through entity. 138

(2) An investor who is either an individual or an estate and 139

is a resident taxpayer for the purposes of section 5747.01 of the  
Revised Code for the entire qualifying taxable year of the  
qualifying pass-through entity.

(3) An investor who is an individual for whom the qualifying  
pass-through entity makes a good faith and reasonable effort to  
comply fully and timely with the filing and payment requirements  
set forth in division (D) of section 5747.08 of the Revised Code  
and section 5747.09 of the Revised Code with respect to the  
individual's adjusted qualifying amount for the entire qualifying  
taxable year of the qualifying pass-through entity.

(4) An investor that is another qualifying pass-through  
entity having only investors described in division (I)(1), (2),  
(3), or (6) of this section during the three-year period beginning  
twelve months prior to the first day of the qualifying taxable  
year of the qualifying pass-through entity.

(5) An investor that is another pass-through entity having no  
investors other than individuals and estates during the qualifying  
taxable year of the qualifying pass-through entity in which it is  
an investor, and that makes a good faith and reasonable effort to  
comply fully and timely with the filing and payment requirements  
set forth in division (D) of section 5747.08 of the Revised Code  
and section 5747.09 of the Revised Code with respect to investors  
that are not resident taxpayers of this state for the purposes of  
Chapter 5747. of the Revised Code for the entire qualifying  
taxable year of the qualifying pass-through entity in which it is  
an investor.

(6) An investor that is a financial institution required to  
calculate the tax in accordance with division (E) of section  
5733.06 of the Revised Code on the first day of January of the  
calendar year immediately following the last day of the financial

institution's calendar or fiscal year in which ends the taxpayer's 170  
taxable year. 171

(7) An investor other than an individual that satisfies all 172  
the following: 173

(a) The investor submits a written statement to the 174  
qualifying pass-through entity stating that the investor 175  
irrevocably agrees that the investor has nexus with this state 176  
under the Constitution of the United States and is subject to and 177  
liable for the tax calculated under division (A) or (B) of section 178  
5733.06 of the Revised Code with respect to the investor's 179  
adjusted qualifying amount for the entire qualifying taxable year 180  
of the qualifying pass-through entity. The statement is subject to 181  
the penalties of perjury, shall be retained by the qualifying 182  
pass-through entity for no fewer than seven years, and shall be 183  
delivered to the tax commissioner upon request. 184

(b) The investor makes a good faith and reasonable effort to 185  
comply timely and fully with all the reporting and payment 186  
requirements set forth in Chapter 5733. of the Revised Code with 187  
respect to the investor's adjusted qualifying amount for the 188  
entire qualifying taxable year of the qualifying pass-through 189  
entity. 190

(c) Neither the investor nor the qualifying pass-through 191  
entity in which it is an investor, before, during, or after the 192  
qualifying pass-through entity's qualifying taxable year, carries 193  
out any transaction or transactions with one or more related 194  
members of the investor or the qualifying pass-through entity 195  
resulting in a reduction or deferral of tax imposed by Chapter 196  
5733. of the Revised Code with respect to all or any portion of 197  
the investor's adjusted qualifying amount for the qualifying 198  
pass-through entity's taxable year, or that constitute a sham, 199

lack economic reality, or are part of a series of transactions the  
form of which constitutes a step transaction or transactions or  
does not reflect the substance of those transactions.

(8) Any other investor that the tax commissioner may  
designate by rule. The tax commissioner may adopt rules including  
a rule defining "qualifying investor" or "qualifying beneficiary"  
and governing the imposition of the withholding tax imposed by  
section 5747.41 of the Revised Code with respect to an individual  
who is a resident taxpayer for the purposes of Chapter 5747. of  
the Revised Code for only a portion of the qualifying taxable year  
of the qualifying entity.

(9) An investor that is a trust or fund the beneficiaries of  
which, during the qualifying taxable year of the qualifying  
pass-through entity, are limited to the following:

(a) A person that is or may be the beneficiary of a trust  
subject to Subchapter D of Chapter 1 of Subtitle A of the Internal  
Revenue Code.

(b) A person that is or may be the beneficiary of or the  
recipient of payments from a trust or fund that is a nuclear  
decommissioning reserve fund, a designated settlement fund, or any  
other trust or fund established to resolve and satisfy claims that  
may otherwise be asserted by the beneficiary or a member of the  
beneficiary's family. Sections 267(c)(4), 468A(e), and 468B(d)(2)  
of the Internal Revenue Code apply to the determination of whether  
such a person satisfies division (I)(9) of this section.

(c) A person who is or may be the beneficiary of a trust  
that, under its governing instrument, is not required to  
distribute all of its income currently. Division (I)(9)(c) of this  
section applies only if the trust, prior to the due date for  
filing the qualifying pass-through entity's return for taxes

imposed by section 5733.41 and sections 5747.41 to 5747.453 of the  
Revised Code, irrevocably agrees in writing that for the taxable  
year during or for which the trust distributes any of its income  
to any of its beneficiaries, the trust is a qualifying trust and  
will pay the estimated tax, and will withhold and pay the withheld  
tax, as required under sections 5747.40 to 5747.453 of the Revised  
Code.

For the purposes of division (I)(9) of this section, a trust  
or fund shall be considered to have a beneficiary other than  
persons described under divisions (I)(9)(a) to (c) of this section  
if a beneficiary would not qualify under those divisions under the  
doctrines of "economic reality," "sham transaction," "step  
doctrine," or "substance over form." A trust or fund described in  
division (I)(9) of this section bears the burden of establishing  
by a preponderance of the evidence that any transaction giving  
rise to the tax benefits provided under division (I)(9) of this  
section does not have as a principal purpose a claim of those tax  
benefits. Nothing in this section shall be construed to limit  
solely to this section the application of the doctrines referred  
to in this paragraph.

(J) "Qualifying net gain" means any recognized net gain with  
respect to the acquisition, ownership, use, maintenance,  
management, or disposition of tangible personal property located  
in this state at any time during a trust's qualifying taxable year  
or real property located in this state.

(K) "Qualifying net income" means any recognized income, net  
of related deductible expenses, other than distributions  
deductions with respect to the acquisition, ownership, use,  
maintenance, management, or disposition of tangible personal  
property located in this state at any time during the trust's

qualifying taxable year or real property located in this state. 260

(L) "Qualifying entity" means a qualifying pass-through 261  
entity or a qualifying trust. 262

(M) "Qualifying trust" means a trust subject to subchapter J 263  
of the Internal Revenue Code that, during any portion of the 264  
trust's qualifying taxable year, has income or gain from the 265  
acquisition, management, ownership, use, or disposition of 266  
tangible personal property located in this state at any time 267  
during the trust's qualifying taxable year or real property 268  
located in this state. "Qualifying trust" does not include a 269  
person described in section 501(c) of the Internal Revenue Code or 270  
a person described in division (C) of section 5733.09 of the 271  
Revised Code. 272

(N) "Qualifying pass-through entity" means a pass-through 273  
entity as defined in section 5733.04 of the Revised Code, 274  
excluding: a person described in section 501(c) of the Internal 275  
Revenue Code; a partnership with equity securities registered with 276  
the United States securities and exchange commission under section 277  
12 of the Securities Exchange Act of 1934, as amended; or a person 278  
described in division (C) of section 5733.09 of the Revised Code. 279

(O) "Quarter" means the first three months, the second three 280  
months, the third three months, or the last three months of a 281  
qualifying entity's qualifying taxable year. 282

(P) "Related member" has the same meaning as in division 283  
(A)(6) of section 5733.042 of the Revised Code without regard to 284  
division (B) of that section. However, for the purposes of 285  
divisions (A)(3) and (4) of this section only, "related member" 286  
has the same meaning as in division (A)(6) of section 5733.042 of 287  
the Revised Code without regard to division (B) of that section, 288  
but shall be applied by substituting "forty per cent" for "twenty 289

per cent" wherever "twenty per cent" appears in division (A) of 290  
that section. 291

(Q) "Return" or "report" means the notifications and reports 292  
required to be filed pursuant to sections 5747.42 to 5747.45 of 293  
the Revised Code for the purpose of reporting the tax imposed 294  
under section 5733.41 or 5747.41 of the Revised Code, and included 295  
declarations of estimated tax when so required. 296

(R) "Qualifying taxable year" means the calendar year or the 297  
qualifying entity's fiscal year ending during the calendar year, 298  
or fractional part thereof, for which the adjusted qualifying 299  
amount is calculated pursuant to sections 5733.40 and 5733.41 or 300  
sections 5747.40 to 5747.453 of the Revised Code. 301

(S) "Distributive share" includes the sum of the income, 302  
gain, expense, or loss of a disregarded entity or qualified 303  
subchapter S subsidiary. 304

**Section 2.** That existing section 5733.40 of the Revised Code 305  
is hereby repealed." 306

In line 87, delete "2" and insert "3" 307

In line 94, delete "3" and insert "4" 308

In line 118, delete "4" and insert "5" 309

In line 136, delete "5" and insert "6" 310

In line 147, delete "6" and insert "7" 311

In line 304, delete "7" and insert "8" 312

After line 306, insert: 313

**"Section 9.** The amendment by this act of section 5733.40 of 314  
the Revised Code is intended to clarify the law as it existed 315  
before the enactment of this act and shall be construed 316

accordingly. The amendment shall apply to taxable years beginning 317  
on or after January 1, 2013." 318

The motion was \_\_\_\_\_ agreed to.

### SYNOPSIS

**Business income deduction for PEO-paid compensation** 319

**R.C. 5733.40; Section 9** 320

Specifies that a pass-through entity (PTE) investor who is 321  
paid wages or guaranteed payments by a professional employer 322  
organization hired by the PTE may claim the business income 323  
deduction and apply the 3% flat tax rate with respect to such 324  
income, provided the investor holds at least a 20% interest in the 325  
PTE. 326

States that the provision is intended to clarify existing law 327  
and that, therefore, the provision applies retrospectively to 328  
taxable years beginning in or after 2013 - the first year the 329  
business income deduction was allowed. 330